

Class I Railroad Annual Report

	GRAND TRUNK CORPORATION 935 DE LA GAUCHETIERE STREET WEST FLOOR 4 (FINANCIAL REPORTING) MONTREAL, QUEBEC (CANADA) H3B 2M9
Correct name and address if different than shown	Full name and address of reporting carrier (Use mailing label on original, copy in full on duplicate)



To The
Surface Transportation Board
For the Year Ending December 31, 2008

NOTICE

1. This report is required for every class I railroad operating within the United States. Three copies of this Annual Report should be completed. Two of the copies must be filed with the Surface Transportation Board, Office of Economics, Environmental Analysis, and Administration, The Mercury Building, 1925 K St. N.W., Suite 500, Washington, DC 20423, by March 31 of the year following that for which the report is made. One copy should be retained by the carrier.
2. Every inquiry must be definitely answered. Where the word "none" truly and completely states the fact, it should be given as the answer. If any inquiry is inapplicable, the words "non applicable" should be used.
3. Wherever the space provided in the schedules is insufficient to permit a full and complete statement of the requested information, inserts should be prepared and appropriately identified by the number of the schedule.
4. All entries should be made in a permanent black ink or typed. Those of a contrary character must be indicated in parenthesis. Items of an unusual character must be indicated by appropriate symbols and explained in footnotes.
5. Money items, except averages, throughout the annual report form should be shown in thousands of dollars adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts. For purposes of rounding, amounts of \$500 but less than \$1,000 should be raised to the nearest thousand dollars, and amounts of less than \$500 should be lowered.
6. Except where the context clearly indicates some other meaning, the following terms when used in this Form have the following meanings:
 - (a) Board means *Surface Transportation Board*
 - (b) Respondent means *the person or corporation in whose behalf the report is made*.
 - (c) Year means *the year ended December 31 for which the report is being made*.
 - (d) Close of the Year means *the close of business on December 31 for the year in which the report is being made*. If the report is made for a shorter period than one year, it means *the close of the period covered by the report*.
 - (e) Beginning of the Year means *the beginning of business on January 1 of the year for which the report is being made*. If the report is made for a shorter period than one year, it means *the beginning of that period*.
 - (f) Preceding Year means *the year ended December 31 of the year preceding the year for which the report is made*.
 - (g) The Uniform System of Accounts for Railroad Companies means *the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended*.
7. The ICC Termination Act of 1995 abolished the Interstate Commerce Commission and replaced it with the Surface Transportation Board. Any references to the Interstate Commerce Commission or Commission contained in this report refer to the Surface Transportation Board.
8. Any references to the Bureau of Accounts or the Office of Economics contained in this report refer to the Office of Economics, Environmental Analysis, and Administration of the Surface Transportation Board.
9. NOTE - An additional line has been added to Schedule 755 (Line 134) effective with the 2004 R-1. Also note that the instructions for completion of Schedule 755 now have two additional items (Instructions U and V).
10. NOTE - The columns in Schedule 710-Distribution of Locomotive Units In Service of Respondent At Close Of Year, Disregarding Year of Rebuilding have been revised to reflect new five year periods.
11. NOTE - The following supplemental information about STB information collections is provided in compliance with OMB requirements and pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 et seq.:

Supplemental Information about the Annual Report (R-1)

This information collection is mandatory pursuant to 49 U.S.C. 11145.

The estimated hour burden for filing this report is less than 800 hours.

Information in the Annual Reports is used to monitor and assess railroad industry growth, financial stability, traffic, and operations and to identify industry changes that may affect national transportation policy. In addition, the Board uses data from these reports to more effectively carry out regulatory responsibilities, such as acting on railroad requests for authority to engage in Board regulated financial transactions (for example, mergers, acquisitions of control, consolidations, and abandonments); conducting investigations and rulemakings; conducting rail revenue adequacy proceedings; developing rail cost adjustment factors; and developing the URCS, which is a cost measurement methodology. URCS was developed by the Board pursuant to 49 U.S.C. 11161 and is used as a tool in rail rate proceedings to calculate the variable costs associated with providing a particular service in accordance with 49 U.S.C. 10707(d). The Board also uses URCS to analyze the information that it obtains through the annual railroad industry waybill sample, see 49 CFR 1244, and in railroad abandonment proceedings to measure off-branch costs, pursuant to 49 U.S.C. 10904(a) and in accordance with 49 CFR 1152.32(n).

The information in this report is ordinarily maintained by the agency in hard copy for 10 years, after which it is transferred to the National Archives, where it is maintained as a permanent record. These reports are also maintained by the agency indefinitely on microfiche. In addition, some of this information is posted on the Board's website, www.stb.dot.gov, where it may remain indefinitely. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0009. The display of currently valid OMB control number is required by law.

Supplemental Information about the Quarterly Condensed Balance Sheet (CBS)

This information collection is mandatory under 49 CFR 1243.2.

The estimated hour burden for filing this report is six hours per report.

The Board uses the information in this report to ensure competitive, efficient, and safe transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through specific regulation of railroad-rate and service issues and rail-restructuring proposals, including railroad mergers, consolidations, acquisitions of control, and abandonments. Information from the reports is used by the Board, other Federal agencies, and industry groups, including the Association of American Railroads, to assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system.

Information from these reports is compiled by the Board and published on its website, www.stb.dot.gov, where it may be maintained indefinitely. The compilation report is entitled Class I Railroads, Selected Earnings Data. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The display of a currently valid OMB control number for this collection is required by law.

Supplemental Information about the Quarterly Report of Revenues, Expenses and Income (Form RE&I)

This information collection is mandatory pursuant to 49 U.S.C. 11164 and 49 CFR 1243.1.

The estimated hour burden for filing this report is six hours per report.

The Board uses the information in this report to ensure competitive, efficient, and safe transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through regulation of railroad rate and service issues and rail restructuring proposals, including railroad mergers, consolidations, acquisitions of control, and abandonments. Information from the reports is used by the Board, other Federal agencies and industry groups to monitor and assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system. Individual and aggregate carrier information is needed in our decision making process.

Information from these reports is compiled by the Board and published on its website, www.stb.dot.gov, where it may be maintained indefinitely. The compilation report is entitled Class I Railroads, Selected Earnings Data. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The display of a currently valid OMB control number for this collection is required by law.

Supplemental Information about the Report of Railroad Employees, Service, and Compensation (Wage Forms A & B)

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1245.2.

The estimated hour burden for filing this report is 30 hours per quarterly report and 40 hours per annual report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate proposed regulated transactions that may impact rail employees. These transactions include mergers and consolidations, acquisitions of control, purchases and abandonments. Other Federal agencies and industry groups, including the Railroad Retirement Board, the Bureau of Labor Statistics, and the Association of American Railroads, depend on the information contained in the reports to monitor railroad operations.

Certain information from the reports is compiled and published on the Board's website, www.stb.dot.gov, where it may be maintained indefinitely. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0004. The display of currently valid OMB control number is required by law.

Supplemental Information about the Monthly Report of Number of Employees of Class I Railroads (Wage Form C)

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1246.1.

The estimated hour burden for filing this report is 1.25 hours per monthly report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate proposed regulated transactions that may impact rail employees, including mergers and consolidations, acquisitions of control, purchases, and abandonments. Other Federal agencies and industry groups, including the Railroad Retirement Board, the Bureau of Labor Statistics, and the Association of American Railroads, depend on the information contained in the reports to monitor railroad operations.

The information in this report is compiled and published on the Board's website, www.stb.dot.gov, where it may be maintained indefinitely. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0007. The display of a currently valid OMB control number is required by law.

Supplemental Information about the Annual Report of Cars Loaded and Cars Terminated (Form STB-54)

This information collection is mandatory pursuant to 49 U.S.C. 11162 and 49 CFR 1247.

The estimated hour burden for filing this report is four hours per report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. Information in this report is entered into the Board's URCS. In addition, many other Federal agencies and industry groups, including the Department of Transportation and the Association of American Railroads (AAR), depend on Form STB-54 for information regarding the number of cars loaded and terminated on the reporting carrier's line.

All information collected through this report is available to the public. Paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed.

The OMB control number for this collection is 2140-0011. The display of a currently valid OMB control number is required by law.

Supplemental Information about the Quarterly Report of Freight Commodity Statistics (Form QCS)

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1248.

The estimated hour burden for filing this report is 217 hours per report.

Information in this report is entered into the Board's URCS.

All information collected through this report is available to the public. Paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed.

The OMB control number for this collection is 2140-0001. The display of a currently valid OMB control number is required by law.

For Index, See Back of Form

ANNUAL REPORT

OF

GRAND TRUNK CORPORATION

TO THE

SURFACE TRANSPORTATION BOARD

FOR THE

YEAR ENDED DECEMBER 31, 2008

Name, official title, telephone number, and office address of officer in charge of correspondence with the Board regarding this report

(Name) Serge Pharand (Title) Vice-President and Corporate Comptroller

(Telephone number) (514) 399 - 4784
(Area code) (Telephone number)

(Office address) 935 de la Gauchetiere Street West Montreal, Quebec H3B 2M9
(Street and number, city, State, and ZIP code)

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SPECIAL NOTICE

Docket Number 38559 Railroad Classification Index, (ICC served January 20, 1983), modified the reporting requirements for Class II, Class III, and Switching and Terminal companies. These carriers will notify the Board only if the calculation results in a different revenue level than its current classification.

The dark border on the schedule represents data that are captured for processing by the Board.

It is estimated that an average of 800 burden hours per response are required to complete this collection of information. This estimate includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Comments concerning the accuracy of this burden estimate or suggestions for reducing this burden should be addressed to the Office of the Secretary, Surface Transportation Board.

A. SCHEDULES OMITTED BY RESPONDENT

1. The respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.
2. Show the pages excluded, as well as the schedule number and title, in the space provided below.
3. If no schedules were omitted indicate "NONE".

Page	Schedule Number	Title
		None

B. IDENTITY OF RESPONDENT

Answers to the questions asked should be made in full, without reference to the data returned on the corresponding page of previous reports. In case any changes of the nature referred to under inquiry 4 on this page have taken place during the year covered by this report, they should be explained in full detail.

1. Give the exact name of the respondent. Use the words "The" and "Company" only when they are parts of the corporate name. Be careful to distinguish between railroad and railway. The corporate name should be given uniformly throughout the report, notably on the cover, on the title page, and in the "Verification". If the report is made by receivers, trustees, a committee of bondholders, or individuals otherwise in possession of the property, state names and facts with precision. If the report is for a consolidated group, pursuant to Special Permission from the Board, indicate such fact on line 1 below and list the consolidated group on page 4.

2. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, give also date which such receivership or other possession began. If a partnership, give date of formation and also names in full of present partners.

3. State the occasion for the reorganization, whether by reason of foreclosure of mortgage or otherwise, according to the fact. Give date of organization of original corporation and refer to laws under which organized.

1. Exact Name of common carrier making this report Grand Trunk Corporation

2. Date of incorporation September 22, 1970

3. Under laws of what Government, State, or Territory organized? If more than one, name all. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees.
State of Delaware

4. If the respondent was reorganized during the year, involved in a consolidation or merger, or conducted its business under a different name, give full particulars.
Not Applicable

STOCKHOLDERS' REPORTS

5. The respondent is required to send to the Office of Economic and Environmental Analysis, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

☐

Two copies are attached to this report

☐

Two copies will be submitted on: _____

☒

No annual report to stockholders is prepared.

(date)

C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock Common \$ - per share, first preferred \$ - per share, second preferred \$ - per share, debenture stock \$ - per share
2. State whether or not each share of stock has the right to one vote, if not, give full particulars in a footnote Class A Yes, Class B No
3. Are voting rights proportional to holdings? Yes X No -. If no, state in a footnote the relationship between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stock? Yes - No X. If yes, name in a footnote each security, other than stock to which voting rights are attached (as of the close of the year), and state in detail the relationship between holdings and corresponding voting rights, indicating whether voting rights are actual or contingent and, if contingent, showing the contingency
5. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? Yes - No X. If yes, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.
6. Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing
Books not closed.
7. State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing; if not, state as of the close of the year 99 votes, as of December 31, 2008 (date)
8. State the total number of stockholders of record, as of the date shown in answer to Inquiry 7 1 stockholder.
9. Give the names of 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within one year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each, his or her address, the number of votes he or she would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he or she was entitled, with respect to securities held by him or her, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities (stating in a footnote the names of such other securities, if any) If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements, give as supplemental information the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders at the close of the year.

Line No.	Name of Security Holder (a)	Address of Security Holder (b)	Number of Votes to Which Security Holder Was Entitled (c)	Number of Votes, Classified With Respect to Securities on Which Based			Line No.
				Stock			
				Common (d)	Preferred		
Second (e)	First (f)						
1							1
2	Canadian National Railway Co	935 de la Gauchetière West	99	99			2
3	(Class A)	Montreal, Quebec					3
4							4
5							5
6	Canadian National Railway Co	935 de la Gauchetière West	-	-			6
7	(Class B)	Montreal, Quebec					7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
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23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

C. VOTING POWERS AND ELECTIONS - Continued

- | | |
|--|--------------------|
| 10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent | <u>99</u> |
| votes cast | |
| 11. Give the date of such meeting | <u>See Remarks</u> |
| 12. Give the place of such meeting | <u>See Remarks</u> |

NOTES AND REMARKS

There was a Consent in Lieu of the Meeting of the Shareholders, in accordance with the General Corporation Law of the State of Delaware section 228 (a), to elect the members of the Board of Directors

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)
Current Assets					
1		701	Cash	31,069	6,304
2		702	Temporary cash investments	-	-
3		703	Special deposits	-	-
			Accounts receivable	-	-
4		704	- Loan and notes	-	-
5		705	- Interline and other balances	3,339	5,389
6		706	- Customers	2,216	1,124
7		707	- Other	58,115	61,001
8		709, 708	- Accrued accounts receivable	20,311	31,886
9		708.5	- Receivables from affiliated companies	414,684	190,050
10		709.5	- Less: Allowance for uncollectible accounts	(22,489)	(20,834)
11		710, 711, 714	Working funds prepayments deferred income tax debits	53,843	54,081
12		712	Materials and supplies	43,651	58,410
13		713	Other current assets	5,951	23,071
14			TOTAL CURRENT ASSETS	610,690	410,482
Other Assets					
15		715, 716, 717	Special funds	-	-
16		721, 721.5	Investments and advances - affiliated companies (Sch. 310 and 310A)	277,144	268,798
17		722, 723	Other investment and advances	-	-
18		724	Allowances for net unrealized losses on noncurrent marketable equity securities - Cr.	-	-
19		737, 738	Property used in other than carrier operation (Less depreciation) \$	45,554	45,475
20		739, 741	Other assets	673	1,435
21		743	Other deferred debits	53,528	53,500
22		744	Accumulated deferred income tax debits	-	-
23			TOTAL OTHER ASSETS	376,899	369,208
Road and equipment					
24		731, 732	Road (Sch.330) L-30 Col h & b	8,924,968	8,758,446
25		731, 732	Equipment (sch.330) L-39 Col h & b	1,140,995	1,136,323
26		731, 732	Unallocated items	9,796	9,665
27		733, 735	Accumulated depreciation and amortization (Sch. 335, 342, 351)	(1,325,974)	(1,341,448)
28			Net Road and Equipment	8,749,785	8,562,986
29			TOTAL ASSETS	9,737,374	9,342,676

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY

(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)
Current Liabilities					
30		751	Loan and notes payable	-	-
31		752	Accounts payable: interline and other	4,113	4,220
32		753	Audited accounts and wages payable	101,107	100,643
33		754	Other accounts payable	2,961	1,240
34		755.756	Interest and dividends payable	4,384	7,308
35		757	Payables to affiliated companies	1,171	-
36		759	Accrued accounts payable	197,712	188,382
37		760.761.761.5.762	Taxes accrued	26,616	21,928
38		763	Other current liabilities	5,168	9,035
39		764	Equipment obligations and other long-term debt due within one year	30,284	202,937
40			TOTAL CURRENT LIABILITIES	373,516	535,693
Non-Current Liabilities					
41		765.767	Funded debt unmatured	135,410	159,593
42		766	Equipment obligations	-	-
43		766.5	Capitalized lease obligations	103,510	100,786
44		768	Debt in default	-	-
45		769	Accounts payable: affiliated companies	3,692,604	3,510,289
46		770.1, 770.2	Unamortized debt premium	(4,779)	(25,501)
47		781	Interest in default	-	-
48		783	Deferred revenues - transfers from govt.authorities	8,595	9,138
49		786	Accumulated deferred income tax credits	2,727,841	2,690,613
50		771, 772, 774 775, 782, 784	Other long-term liabilities and deferred credits	481,470	469,643
51			TOTAL NON-CURRENT LIABILITIES	7,144,651	6,914,561
Shareholders' Equity					
52		791.792	Total capital stock	10	10
53			Common stock	10	10
54			Preferred stock	-	-
55			Discount on capital stock	-	-
56		794.795	Additional capital	102,114	91,525
Retained earnings:					
57		797	Appropriated	1,651	1,603
58		798	Unappropriated	2,115,432	1,799,284
59		798.1	Net unrealized loss on noncurrent marketable equity securities	-	-
60		798.5	Less: treasury stock	-	-
61			Net stockholders equity	2,219,207	1,892,422
62			TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	9,737,374	9,342,676

NOTES AND REMARKS

Account 798 includes a net decrease of \$35,870 thousand related to changes in Accumulated other comprehensive income for the year 2008. See Schedule 220, Account 616.

200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

(Dollars in Thousands)

The notes listed below are provided to disclose supplementary information on matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein and where there is nothing to report, insert the word "none" and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting principles, except as shown in other schedules. This includes statements explaining (1) service interruption insurance policies and indicating the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premium respondent may be obligated to pay in the event such losses are sustained by other railroads, (2) particulars concerning obligations for stock purchase options granted to officers and employees, and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts. See schedule 460 \$ 48

2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made \$ None

3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year. See Note 2 on page 10-12

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund. See Note 2 on page 10-12 \$

(c) Is any part of the pension plan funded? Specify Yes X No

If funding is by insurance, give name of insuring company

N/A

If funding is by trust agreement, list trustee(s)

The Northern Trust Company

Date of trust agreement or latest amendment

April 1, 1997, with subsequent amendments.

If respondent is affiliated in any way with the trustee(s), explain affiliation

N/A

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement. Grand Trunk Western Railroad Company, Duluth, Winnipeg and Pacific Railway Company.

Illinois Central Railroad Company, IC RailMarine Terminal Company, Chicago, Central & Pacific Railroad Company,

Wisconsin Central Ltd., Bessemer & Lake Erie Railroad Company, The Pittsburgh & Conneaut Dock Company,

and Duluth, Missabe and Iron Range Railway Company

(e) Is any part of the pension plan fund invested in stock or other securities of the respondent or its affiliates? Specify Yes No X

If yes, give number of the shares for each class of stock or other security

N/A

Are voting rights attached to any securities held by the pension plan? Specify Yes X No If yes, who determines how stock is voted?

The trustee determines how the stock is voted

4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). Yes X No

5. (a) The amount of employers contribution to employee stock ownership plans for the current year was \$ 3,593.

(b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was \$ None

6. In reference to Docket No. 37465 specify the total amount of business entertainment expenditures charged to the non-operating expense account \$ None

Continued on following page

200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued

7 Give particulars with respect to contingent assets and liabilities at the close of the year, in accordance with Instruction 5-6 in the Uniform System of Accounts for Railroad Companies, that are not reflected in the amounts of the respondent

Disclose the nature and amount of contingency that is material.

Examples of contingent liabilities are items which may become obligations as a result of pending or threatened litigation, assessments or possible assessments of additional taxes and agreements or obligations to repurchase security or property. Additional pages may be added if more space is needed (Explain and / or reference to the following pages)

See Note 3 on page 13

(a) Changes in Valuation Accounts.

8. Marketable Equity Securities

None

		Cost	Market	Debit (Credit) To Income	Debit (Credit) to Stockholders Equity
(Current Year)	Current Portfolio	N/A	N/A	N/A	N/A
as of / /	Noncurrent Portfolio	N/A	N/A	N/A	N/A
(Previous Year)	Current Portfolio	N/A	N/A	N/A	N/A
as of / /	Noncurrent Portfolio	N/A	N/A	N/A	N/A

At 12/31/2008, gross unrealized gains and losses pertaining to marketable securities were as follows:

	Gains	Losses
Current	-	-
Noncurrent	-	-

A net unrealized gain (loss) of \$ N/A on the sale of marketable equity securities was included in net income for 2008.

The cost of securities sold was based on the N/A (method) cost of all the shares of each security held at time of sale

Significant net realized and net unrealized gains and losses arising after date of financial statements but prior to filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below.

NOTE: 12/31/2008 - Balance Sheet date of reported year unless specified as previous year.

200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - CONSOLIDATION AND PRESENTATION

Grand Trunk Corporation and all subsidiaries, collectively "GTC" or "the Company", are engaged in the rail and related transportation business. GTC's revenues are derived from the movement of a diversified and balanced portfolio of goods, including petroleum and chemicals, grain and fertilizers, coal, metals and minerals, forest products, intermodal and automotive.

These consolidated financial statements include the accounts of Grand Trunk Corporation and all of its subsidiaries.

US Companies consolidated in this report include:

- Grand Trunk Corporation
- Grand Trunk Western Railroad Company
- Duluth, Winnipeg and Pacific Railway Company
- Illinois Central Corporation
- Illinois Central Railroad Company
- Mississippi Valley Corporation
- Waterloo Railway Company
- CN WorldWide North America (USA) Inc.
- IC Financial Services Corporation
- IC Leasing Corporation I
- IC Leasing Corporation II
- IC Leasing Corporation III
- CN WorldWide Distribution Services (USA) Inc.
- Stellar Distribution Services Inc.
- CCP Holdings Inc.
- Chicago Central and Pacific Railroad Company
- Cedar River Railroad Company
- Iron Horse Properties Inc.
- Missouri River Bridge Company
- Wisconsin Central Transportation Corporation
- Wisconsin Central Ltd.
- Wisconsin Chicago Link Ltd.
- Sault Ste. Marie Bridge Company
- Bessemer and Lake Erie Railroad
- Duluth, Missabe and Iron Range Railway Company
- The Pittsburgh and Conneaut Dock Company
- GLT Management Co
- Cuyahoga Dock, Inc.
- CN WorldWide Ground (USA) Inc.
- CN Customs Brokerage Services (USA) Inc.
- CN Financial Services II (Nova Scotia) Corporation
- CN Financial Services III, LLC
- CN Financial Services V, LLC

All non-U.S. subsidiaries and non-rail U.S. subsidiaries are accounted for using the equity method.

200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued

NOTES TO FINANCIAL STATEMENTS

(Dollars in Thousands)

NOTE 2 - PENSIONS

Pension costs are determined using actuarial methods. Net periodic benefit cost is charged to income and includes:

- (i) the cost of pension benefits provided in exchange for employees' services rendered during the year,
- (ii) the interest cost of pension obligations,
- (iii) the expected long-term return on pension fund assets,
- (iv) the amortization of prior service costs and amendments over the expected average remaining service life of the employee group covered by the plans, and
- (v) the amortization of cumulative net actuarial gains and losses in excess of 10% of the greater of the beginning of the year balances of the projected benefit obligation or market-related value of plan assets, over the expected average remaining service life of the employee group covered by the plans.

The pension plans are funded through contributions determined in accordance with the projected unit credit actuarial cost method.

Accounting Change

On January 1, 2007, pursuant to SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)," the Company early adopted the requirement to measure the defined benefit plan assets and the projected benefit obligation as of the date of the fiscal year-end statement of financial position for its U.S. plans. The Company elected to use the 15-month transition method, which allows for the extrapolation of net periodic benefit cost based on the September 30, 2006 measurement date to the fiscal year-end date of December 31, 2007. As a result, the Company recorded a reduction of \$2,603 thousand to Retained earnings at January 1, 2007, which represented the net periodic benefit cost pursuant to the actuarial valuation attributable to the period between the early measurement date of September 30, 2006 and January 1, 2007 (the date of adoption).

Information about the Company's defined benefit pension plans

The following disclosures in relation to the Company's defined benefit pension plans are made pursuant to SFAS No. 158 requirements.

(a) Change in benefit obligation

	Year ended December 31,	
	2008	2007
Benefit obligation at beginning of year	\$ 193,558	\$ 193,589
Amendments - January 1	-	2,603
Interest cost	11,581	10,724
Actuarial (gain) loss	2,066	(733)
Service cost	8,139	8,898
Benefit payments and transfers	(14,458)	(21,523)
Benefit obligation at end of year	<u>\$ 200,886</u>	<u>\$ 193,558</u>
Component representing future salary increases	(14,727)	(14,444)
Accumulated benefit obligation at end of year	186,159	179,114

(b) Change in plan assets

	Year ended December 31,	
	2008	2007
Fair value of plan assets at beginning of year	\$ 145,380	\$ 144,317
Employer contributions	4,903	2,850
Actual return on plan assets	(35,805)	19,736
Benefit payments and transfers	(14,458)	(21,523)
Fair value of plan assets at end of year	<u>\$ 100,020</u>	<u>\$ 145,380</u>
Funded status (Excess of fair value of plan assets over benefit obligation at end of year)	<u>\$ (100,866)</u>	<u>\$ (48,178)</u>

200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued

NOTES TO FINANCIAL STATEMENTS

(Dollars in Thousands)

NOTE 2 - PENSIONS (continued)

(c) Amount recognized in the Statement of financial position

	December 31,	
	2008	2007
Noncurrent assets	\$ -	\$ 1,669
Current liabilities	(1,501)	(835)
Noncurrent liabilities:	(99,365)	(49,012)
Minimum pension liability	-	-
Net amount recognized	<u>\$ (100,866)</u>	<u>\$ (48,178)</u>

(d) Amount recognized in Accumulated other comprehensive income

	December 31,	
	2008	2007
Net actuarial loss	\$ 59,705	\$ 10,967
Prior service cost	332	601
Additional minimum pension liability	-	-
Recognized on December 31 pursuant to SFAS No.158.	<u>\$ 60,037</u>	<u>\$ 11,568</u>

(e) Components of net periodic benefit cost

	Year ended December 31,	
	2008	2007
Service cost	\$ 8,139	\$ 8,898
Interest cost	11,581	10,724
Expected return on plan assets	(11,006)	(10,794)
Amortization of net transition asset	269	269
Recognized net actuarial loss	139	759
Net periodic benefit cost	<u>\$ 9,122</u>	<u>\$ 9,856</u>

(f) Weighted-average assumptions

	December 31,	
	2008	2007
To determine benefit obligation		
Discount rate	6.19%	6.25%
Rate of compensation increase	3.99%	4.25%
To determine net periodic benefit cost		
Discount rate	6.25%	5.75%
Rate of compensation increase	4.25%	4.50%
Expected return on plan assets	8.00%	8.00%

200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued**NOTES TO FINANCIAL STATEMENTS**

(Dollars in Thousands)

NOTE 2 - PENSIONS (continued)

(g) Estimated future benefit payments

The estimated future benefit payments for each of the next five years and the subsequent five-year period are as follows:

2009	\$	16,827
2010		17,610
2011		17,975
2012		17,972
2013		17,237
Years 2014 to 2018		78,782

200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CONTINGENT LIABILITIES

The Company becomes involved, from time to time, in various legal actions seeking compensatory, and occasionally punitive damages, including actions brought on behalf of various purported classes of claimants and claims relating to personal injuries, occupational disease, and property damage, arising out of harm to individuals or property allegedly caused by derailments or other accidents.

Employee work-related injuries, including occupational disease claims, are compensated according to the provisions of the Federal Employers' Liability Act (FELA), which requires either the finding of fault through the U.S. jury system or individual settlements, and represent a major liability for the railroad industry. The Company follows an actuarial-based approach and accrues the expected cost for personal injury and property damage claims and asserted and unasserted occupational disease claims, based on actuarial estimates of their ultimate cost.

In 2008, 2007 and 2006, the Company recorded net reductions to its provision for U.S. personal injury and other claims pursuant to the results of external actuarial studies of \$23 million, \$93 million and \$54 million, respectively. The reductions were mainly attributable to decreases in the Company's estimates of unasserted claims and costs related to asserted claims as a result of its ongoing risk mitigation strategy focused on prevention, mitigation of claims and containment of injuries, lower settlements for existing claims and reduced severity relating to non-occupational disease claims.

Due to the inherent uncertainty involved in projecting future events related to occupational diseases, which include but are not limited to, the number of expected claims, the average cost per claim and the legislative and judicial environment, the Company's future obligations may differ from current amounts recorded.

At December 31, 2008, 2007, and 2006, the Company's provision for U.S. personal injury and other claims was as follows:

In millions	2008	2007	2006
Balance January 1,	\$ 252	\$ 349	\$ 388
Accruals and other	3	(51)	(6)
Payments	(37)	(46)	(33)
Balance December 31	\$ 218	\$ 252	\$ 349

Although the Company considers such provisions to be adequate for all its outstanding and pending claims, the final outcome with respect to actions outstanding or pending at December 31, 2008, or with respect to future claims, cannot be predicted with certainty, and therefore there can be no assurance that their resolution will not have a material adverse effect on the Company's financial position or results of operations in a particular quarter or fiscal year.

200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued

NOTES TO FINANCIAL STATEMENTS

(Dollars in Thousands)

NOTE 4 - RELATED PARTY TRANSACTIONS

Canadian National Railway Company (CN) is the Parent Company of GTC.

Amounts owed to or receivable from related parties as at December 31, 2008 and 2007 are as follows:

Party	Classification in the Company's consolidated financial statements	2008	2007
Parent Company	Receivables from affiliated companies (Acct 708 5) (a)	\$ 414,006	\$ 188,622
	Payables to affiliated companies (Acct 757) (a)	(1,110)	-
	Accounts payable to affiliated companies (Acct 769)	(1,034,604)	(1,022,289)
Affiliated companies	Receivables from affiliated companies (Acct 708 5) (a)	678	1,428
	Advances from affiliated companies (Acct 721)	(104,991)	(143,551)
	Payables to affiliated companies (Acct 757) (a)	(61)	-
	Accounts payable to affiliated companies (Acct 769)	(2,658,000)	(2,488,000)

The following transactions affecting the shareholder's equity were concluded with related parties.

Party	Classification in the Company's consolidated financial statements	2008	2007
Parent Company	Total Capital Stock (Acct 791)	\$ (10)	\$ (10)
	Additional capital (Acct 794, 795)	(102,114)	(91,525)

The following transactions were concluded with related parties in the normal course of business and are measured at the exchange amount of the consideration established and agreed to in the contractual arrangements between the related parties:

Party	Nature of transaction with the related party	Classification in the Company's consolidated financial statements	2008	2007
Parent Company	Interest expense on long-term debt	Interest expense (Acct 546a)	66,183	31,536
Affiliated companies	Interest expense on long-term debt	Interest expense (Acct 546a)	161,944	189,335

- (a) Advances to and from affiliates relating to the collection of GTC's portion of the inter-line move bear no interest and no specific repayment terms.
- (b) From time to time, the Parent Company issues 3rd party debt to fund its financing requirements for general and specific business purposes. Cash funds are made available to GTC and its subsidiaries by the Parent Company or its affiliates by way of additional investments in GTC or through long term advances. These advances bear various interest rates and have specific repayment terms.
- (c) The Parent Company charges a fee for management services it performs on behalf of GTC. As a result, GTC incurred management fees totalling \$73,563 and \$55,658 for 2008 and 2007, respectively.

200 - COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - ACQUISITIONS

Acquisition of Elgin, Joliet and Eastern Railway Company (EJ&E) - Subsequent event

In September 2007, the Company and U.S. Steel Corporation (U.S. Steel), the indirect owner of the EJ&E, announced an agreement under which the Company would acquire the principal lines of the EJ&E for a purchase price of approximately U.S. \$300 million. Under the terms of the agreement, the Company would acquire substantially all of the railroad assets and equipment of EJ&E, except those that support the Gary Works site in northwest Indiana and the steelmaking operations of U.S. Steel.

The Company has received all necessary regulatory approvals, including the U.S. Surface Transportation Board (STB) ruling rendered on December 24, 2008. On January 31, 2009, the Company completed its acquisition of the EJ&E for a purchase price of U.S. \$300 million, paid with cash on hand.

Over the next few years, the Company has committed to spend approximately U.S. \$100 million for infrastructure improvements and over U.S. \$60 million under a series of mitigation agreements with individual communities, as well as under a comprehensive voluntary mitigation program that addresses municipalities' concerns raised during the regulatory approval process. Expenditures for additional STB-imposed mitigation are being currently evaluated by the Company.

The Company accounted for the acquisition using the purchase method of accounting pursuant to SFAS No. 141 (R), "Business Combinations," which became effective for acquisitions closing on or after January 1, 2009.

210 - RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose requested information for respondent pertaining to results of operations for the year

Cross - Checks

Schedule 210

Line 15, col b

Lines 47, 48, 49 col b

Line 50, col b

Schedule 210

= Line 62, col b

= Line 63, col b

= Line 64, col b

2. Report total operating expenses from Sched 410. Any differences between this schedule and Sched 410 must be explained on page 18.

3 List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25.

Line 14, col b

Line 14, col d

Line 14, col e

Schedule 410

= Line 620, col h

= Line 620, col f

= Line 620, col g

4 All contra entries should be shown in parenthesis

Line No	Cross Check	Item	Amount for current year	Amount for preceding year	Freight-related revenue & expenses	Passenger-related revenue & expenses
		(a)	(b)	(c)	(d)	(e)
		ORDINARY ITEMS				
		OPERATING INCOME				
		Railway Operating Income				
1		(101) Freight	2,243,002	2,121,293	2,243,002	-
2		(102) Passenger	-	-	-	-
3		(103) Passenger - related	-	-	-	-
4		(104) Switching	54,288	54,357	54,288	-
5		(105) Water Transfers	-	-	-	-
6		(106) Demurrage	31,094	27,417	31,094	-
7		(110) Incidental	68,210	50,797	68,210	-
8		(121) Joint Facility - credit	-	-	-	-
9		(122) Joint Facility - debit	-	-	-	-
10		(501) Railway operating revenues (Exclusive of transfers from government authorities - lines 1 - 9)	2,396,594	2,253,864	2,396,594	-
11		(502) Railway operating revenues - transfer from government authorities	3,132	3,479	3,132	-
12		(503) Railway operating revenues - amortization of deferred transfers from government authorities	543	544	543	-
13		TOTAL RAILWAY OPERATING REVENUES (Lines 10 - 12)	2,400,269	2,257,887	2,400,269	-
14	*	(531) Railway operating expenses	1,642,966	1,429,650	1,642,966	-
15	*	Net revenue from railway operations	757,303	828,237	757,303	-
		OTHER INCOME				
16		(506) Revenue from property used in other than carrier operations	-	-		
17		(510) Miscellaneous rent income	4,463	5,317		
18		(512) Separately operated properties - profit	-	-		
19		(513) Dividend income (cost method)	-	-		
20		(514) Interest income	-	-		
21		(516) Income from sinking and other funds	-	-		
22		(517) Release of premiums on funded debt	-	-		
23		(518) Reimbursements received under contracts and agreements	-	-		
24		(519) Miscellaneous income	36,214	44,918		
		Income from affiliated companies 519				
25		a) Dividends (equity method)	-	-		
26		b) Equity in undistributed earnings (losses)	(12,158)	53,668		
27		TOTAL OTHER INCOME (Lines 16 - 26)	28,519	103,903		
28		TOTAL INCOME (Lines 15, 27)	785,822	932,140		
		MISCELLANEOUS DEDUCTIONS FROM INCOME				
29		(534) Expense of property used in other than carrier operations	-	-		
30		(544) Miscellaneous taxes	-	-		
31		(545) Separately operated properties - Loss	-	-		
32		(549) Maintenance of investment organizations	-	-		
33		(550) Income transferred under contracts and agreements	-	-		
34		(551) Miscellaneous income charges	6,717	6,681		
35		(553) Uncollectible accounts	-	-		
36		TOTAL MISCELLANEOUS DEDUCTIONS	6,717	6,681		
37		Income available for fixed charges	779,105	925,459		

210 - RESULTS OF OPERATIONS - Continued
(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)
		FIXED CHARGES		
		(546) Interest on funded debt:		
38		(a) Fixed interest not in default	245,245	249,681
39		(b) Interest in default	-	-
40		(547) Interest on unfunded debt	1	91
41		(548) Amortization of discount on funded debt	114	171
42		TOTAL FIXED CHARGES (Lines 38 - 41)	245,360	249,943
43		Income after fixed charge (Line 37 - Line 42)	533,745	675,516
		OTHER DEDUCTIONS		
		(546) Interest on funded debt:		
44		(c) Contingent interest	-	-
		UNUSUAL OR INFREQUENT ITEMS		
45		(555) Unusual or infrequent items (debit) credit	-	-
46		Income (Loss) from continuing operations (before inc. taxes)	533,745	675,516
		PROVISIONS FOR INCOME TAXES		
		(556) Income taxes on ordinary income:		
47	*	a) Federal income taxes	95,773	122,811
48	*	b) State income taxes	23,844	23,053
49	*	c) Other income taxes	5,998	-
50	*	(557) Provision for deferred taxes	56,064	95,802
51		TOTAL PROVISIONS FOR INCOME TAXES (Lines 47 - 52)	181,679	241,666
52		Income from continuing operations (line 46 minus line 51)	352,066	433,850
		DISCONTINUED OPERATIONS		
53		(560) Income or loss from operations of discontinued segments (less applicable income of \$)	-	-
54		(562) Gain or loss on disposal of discontinued segments (less applicable income of \$)	-	-
55		Income before extraordinary items (Line 52 - 54)	352,066	433,850
		EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
56		(570) Extraordinary items (Net)	-	-
57		(590) Income taxes on extraordinary items	-	-
58		(591) Provision for deferred taxes - Extraordinary items	-	-
59		TOTAL EXTRAORDINARY ITEMS (Lines 56 - 58)	-	-
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)	-	-
61	*	Net income (loss) (lines 55 + 59 + 60)	352,066	433,850
		RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)		
62	*	Net revenues from railway operations	757,303	828,237
63	*	(556) Income taxes on ordinary income (-)	125,615	145,864
64	*	(557) Provision for deferred taxes (-)	56,064	95,802
65		Income from leased road and equipment (-)	-	-
66		Rent for leased road and equipment (+)	1,350	1,377
67		Net railway operating income (loss)	576,974	587,948

NOTES AND REMARKS FOR SCHEDULES 210 AND 220**Schedule 220 Notes and Remarks**

Account 616, other debits to retained earnings (Line 8), represents amounts related to Other comprehensive income. See Schedule 460, Line (3) and (4).

Dividends (Line 11 column (c)) represents dividends from equity investments and are reversed in column (b) since there is no impact on consolidated retained earnings.

220 - RETAINED EARNINGS

1. Show below the items of retained earnings accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.
2. All contra entries hereunder should be shown in parentheses.
3. Show in lines 22 and 23 the amount of assigned Federal income tax consequences for accounts 606 and 616.
4. Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.
5. Line 3 (line 7 if debit balance), column (c), should agree with line 26, column (b), Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 61 column (b), Schedule 210.
6. Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c).

Line No.	Cross Check	Item	Retained Earnings - Unappropriated (b)	Equity in Undistributed Earnings (Losses) of Affiliated Companies (c)
		(a)		
1		Balances at beginning of year	1,601,598	197,686
2		(601.5) Prior period adjustment to beginning retained earnings		
		CREDITS		
3	*	(602) Credit balance transferred from income	364,224	(12,158)
4		(603) Appropriations released	-	-
5		(606) Other credits to retained earnings		
6		TOTAL CREDITS	364,224	(12,158)
		DEBITS		
7	*	(612) Debit balance transferred from income		
8		(616) Other debits to retained earnings	31,550	4,320
9		(620) Appropriation for sinking and other funds	48	-
10		(621) Appropriations for other purposes	-	-
11		(623) Dividends: Common stock	(1,657)	1,657
12		Preferred Stock (1)	-	-
13		TOTAL DEBITS	29,941	5,977
14		Net Increase (decrease) during year (Line 6 minus Line 13)	334,283	(18,135)
15	*	Balances at close of year (Lines 1, 2 and 14)	1,935,881	179,551
16	*	Balance from line 15 (c)	179,551	N/A
17		(798) Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year.	2,115,432	N/A
18		(797) Total appropriated retained earnings :		
19		Credits during year 48 \$		
20		Debits during year \$		
21		Balance at close of year 1,651 \$		
22		Amount of assigned federal income tax consequences :		
23		Account 606 \$		
		Account 616 \$		

1. If any dividends have been declared on cumulative preferred stock, give cumulative undeclared dividends at beginning of year and end of year.

230. CAPITAL STOCK

PART I. CAPITAL STOCK
(Dollars in Thousands)

- 1 Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.
- 2 Present in column (b) the par or stated value of each issue. If none, so state
- 3 Disclose in columns (c), (d), (e), and (f) the required information concerning the number of shares authorized, issued, in treasury, and outstanding for the various issues.
- 4 For purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent, and not cancelled or retired, they are considered to be nominally outstanding.

Line No.	Class of Stock (a)	Par Value (b) (Per Share)	Number of Shares			Book Value at End of Year	
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	In Treasury (h)
1	Class A Common stock	-	1,000	99	-	99	10
2	Class B Common stock	-	2,000	1,784	-	1,784	-
3							
4							
5							
6							
7							
8							
9							
10	Total	N/A	3,000	1,883	-	1,883	10

PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR

- 1 The purpose of this part is to disclose capital stock changes during the year.
- 2 Column (a) presents the items to be disclosed.
- 3 Columns (b), (d), and (f) require disclosure of the number of shares of preferred, common, and treasury stock applicable to the items in column (a)
- 4 Columns (c), (e) and (g) require the disclosure of the book value of preferred, common, and treasury stock
- 5 Disclose in column (h) the additional paid in capital realized from changes in capital stock during the year.
- 6 Unusual circumstances arising from changes in capital stock shall be fully explained in footnotes to this schedule.

Line No.	Item (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital (h)
		No of Shares (b)	\$ Amount (c)	No. of Shares (d)	\$ Amount (e)	No. of Shares (f)	\$ Amount (g)	
11	Beginning Balance			1,883	10			91,525
12								
13								
14								
15	Increase in additional capital							10,589
16								
17	Closing Balance		-	1,883	10	-	-	102,114

1 By footnote on page 17, state the purpose of the issue and authority

240. STATEMENT OF CASH FLOWS

(Dollars in Thousands)

Give the information as requested concerning the cash flows during the year. Either the direct or indirect method can be used. The direct method shows as its principal components operating cash receipts and payments, such as cash received from customers and cash paid to suppliers and employees, the sum of which is net cash flow from operating activities. The indirect method starts with net income and adjusts it for revenue and expense items that were not the result of operating cash transactions in the current period to reconcile it to net cash flow from operating activities. If direct method is used complete lines 1 - 41. Indirect method complete lines 10 - 41. Cash for the purpose of this schedule shall include cash and cash equivalents which are short-term, highly liquid investments readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Information about all investing and financing activities which do not directly affect cash shall be separately disclosed in footnotes to this schedule. They shall clearly relate the cash (if any) and noncash aspects of transactions. Examples of noncash investing and transactions include converting debt to equity, acquiring assets by assuming directly related liabilities, such as purchasing a building by incurring a mortgage to the seller, obtaining an asset by entering into a capital lease, and exchanging noncash assets or liabilities for other noncash assets or liabilities. Some transactions are part cash and part noncash, only the cash portion shall be reported directly in the statement of cash flows. Refer to FAS Statement No. 95, Statement of Cash Flows, for further details.

CASH FLOWS FROM OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Previous Year (c)	Line No.
1		Cash received from operating revenues			1
2		Dividends received from affiliates			2
3		Interest received			3
4		Other income			4
5		Cash paid for operating expenses			5
6		Interest paid (net of amounts capitalized)			6
7		Income taxes paid			7
8		Other - net			8
9		NET CASH PROVIDED BY OPERATING ACTIVITIES (lines 1 through 8)			9

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Previous Year (c) see notes	Line No.
10		Income from continuing operations	352,066	433,850	10

ADJUSTMENTS TO RECONCILE INCOME FROM CONTINUING OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Previous Year (c)	Line No.
11		Loss (gain) on sale or disposal of tangible property and investments	-	-	11
12		Depreciation and amortization expenses	193,255	193,034	12
13		Deferred Income Taxes	56,064	95,802	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	12,158	(53,668)	14
15		Increase in accounts receivable	(207,355)	(166,277)	15
16		Decrease (increase) in materials and supplies and other current assets	31,879	(12,090)	16
17		Increase (decrease) in current liabilities other than debt	22,859	(34,752)	17
18		Decrease in other - net	(31,083)	(105,292)	18
19		Net cash provided from continuing operations (lines 10 through 18)	429,843	350,607	19
20		Add (Subtract) cash generated (paid) by reason of discontinued operations and extraordinary items	-	-	20
21		NET CASH PROVIDED FROM OPERATING ACTIVITIES (lines 19 and 20)	429,843	350,607	21

CASH FLOWS FROM INVESTING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Previous Year (c)	Line No.
22		Proceeds from sale of property, net	25,769	10,450	22
23		Capital expenditures	(368,683)	(383,119)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	-	-	24
25		Proceeds from sale/repayment of investment and advances	-	-	25
26		Purchase price of long-term investments and advances	-	-	26
27		Net decrease (increase) in sinking and other special funds	-	-	27
28		Other - net	(24,824)	107,342	28
29		NET CASH USED IN INVESTING ACTIVITIES (lines 22 through 28)	(367,738)	(265,327)	29

(Continued on next page)

240. STATEMENT OF CASH FLOWS (Concluded)

(Dollars in Thousands)

CASH FLOWS FROM FINANCING ACTIVITIES

Line No	Cross Check	Description (a)	Current Year (b)	Previous Year (c)	Line No
30		Proceeds from issuance of long-term debt from affiliates	170,000	-	30
31		Principal payments of long-term debt	(207,340)	(89,048)	31
32		Proceeds from issuance of capital stock	-	-	32
33		Purchase price of acquiring treasury stock	-	-	33
34		Cash dividends paid	-	-	34
35		Other - net	-	-	35
36		NET CASH FROM FINANCING ACTIVITIES (lines 30 through 35)	(37,340)	(89,048)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (lines 21, 29, and 36)	24,765	(3,768)	37
38		Cash and cash equivalents at beginning of year	6,304	10,072	38
39		CASH AND CASH EQUIVALENTS AT END OF YEAR (lines 37 and 38)	31,069	6,304	39
		Footnotes To Schedule Cash paid during the year for			
40		Interest (net of amount capitalized) *	248,230	251,808	40
41		Income taxes (net) *	133,844	125,713	41

* Only applies if indirect method is adopted

NOTES AND REMARKS

During 2008 the Company entered into capital leases totalling \$36,001 (thousand).

245. WORKING CAPITAL

(Dollars in Thousands)

- 1 This schedule should include only data pertaining to railway transportation services
 2 Carry out calculations of lines 9, 10, 20, and 21, to the nearest whole number

Line No.	Item (a)	Source	Amount (b)	Line No
CURRENT OPERATING ASSETS				
1	Interline and other balances (705)	Schedule 200, line 5, col b	3,339	1
2	Customers (706)	Schedule 200, line 6, col b	2,216	2
3	Other (707)	Note A	58,115	3
4	TOTAL CURRENT OPERATING ASSETS	Lines 1 + 2 + 3	63,670	4
OPERATING REVENUE				
5	Railway operating revenue	Schedule 210, line 13, col b	2,400,269	5
6	Rent income	Note B	94,060	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	2,494,329	7
8	Average daily operating revenues	Line 7 ÷ 360 days	6,929	8
9	Days of operating revenue in current operating assets	Line 4 ÷ line 8	9	9
10	Revenue delay days plus buffer	Line 9 + 15 days	24	10
CURRENT OPERATING LIABILITIES				
11	Interline and other balances (752)	Schedule 200, line 31, col. b	4,113	11
12	Audited accounts and wages payable (753)	Note A	101,107	12
13	Accounts payable - other (754)	Note A	2,961	13
14	Other taxes accrued (761 5)	Note A	31,318	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 through 14	139,499	15
OPERATING EXPENSES				
16	Railway operating expenses	Schedule 210, line 14, col b	1,642,966	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, col. h	192,116	17
18	Cash related operating expenses	Line 16 + line 6 - line 17	1,544,910	18
19	Average daily expenditures	Line 18 ÷ 360 days	4,291	19
20	Days of operating expenses in current operating liabilities	Line 15 ÷ line 19	33	20
21	Days of working capital required	Line 10 - line 20 (Note C)	-	21
22	Cash working capital required	Line 21 x line 19	-	22
23	Cash and temporary cash balance	Sched. 200, line 1 + line 2, col. b	31,069	23
24	Cash working capital allowed	Lesser of line 22 and line 23	-	24
MATERIAL AND SUPPLIES				
25	Total materials & supplies (712)	Note A	43,651	25
26	Scrap and obsolete material included in account 712	Note A	-	26
27	Materials and supplies held for common carrier purposes	Line 25 - line 26	43,651	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	43,651	28

NOTES:

- (A) Use common carrier portion only. Common carrier refers to railway transportation service.
- (B) Rent income is the sum of Schedule 410, column h, lines 121, 122, 123, 127, 128, 129, 133, 134, 135, 208, 210, 212, 227, 229, 231, 312, 314, and 316. Rent income is added to railway operating revenues to produce total revenues. Rent income is also added to total operating expenses to exclude the rent revenue items from operating expenses.
- (C) If result is negative, use zero.

NOTES AND REMARKS

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GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A

- 1 Schedule 310 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated companies held by respondent at close of year. Also, disclose the investments made, disposed of, and written down during the year and the applicable dividends and interest credited to income as a result of those investments. They should exclude securities issued or assumed by respondent. For definition of affiliated companies, see the rules governing Account No. 721 "Investments and Advances Affiliated Companies", in the Uniform System of Accounts for Railroad Companies.
- 2 List the investments in the following order and show a total for each group and each class of investments by accounts in numerical order:
 - (A) Stocks
 - (1) Carriers - active
 - (2) Carriers - inactive
 - (3) Noncarriers - active
 - (4) Noncarriers - inactive
 - (B) Bonds (including U.S. Government bonds)
 - (C) Other secured obligations
 - (D) Unsecured notes
 - (E) Investment advances
- 3 The subclassification of classes (B), (C), (D) and (E) should be the same as that provided for class (A).
- 4 The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporation, the symbols and industrial classification to be as follows:

Symbol	Kind Of Industry
I	Agriculture, forestry, and fisheries
II	Mining
III	Construction
IV	Manufacturing
V	Wholesale and retail trade
VI	Finance, insurance, and real estate
VII	Transportation, communications, and other public utilities
VIII	Services
IX	Government
X	All other

5. By carriers, as the term is used here, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union depots, and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express service and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.
6. Noncarrier companies should, for the purpose of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely holding companies are to be classed as noncarrier companies, even though the securities held by such companies are largely or entirely those issued or assumed by carriers.
7. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation and which neither operates property nor administers its financial affairs. If it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.
8. Combine, in one account, investments in which the original cost or present equity in total assets is less than \$10,000.
9. Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.
10. Do not include the value of securities issued or assumed by respondent.
11. For affiliates which do not report to the Surface Transportation Board and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

310 - INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

(Dollars in Thousands)

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, from accounts 715 (sinking funds), 716 (capital funds), 721 (investments and advances affiliated companies), and 717 (other funds).

2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 25, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

3. Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered. Give names and other important particulars of such obligations in footnotes

4. Give totals for each class and for each subclass and a grand total for each account.

5. Entries in column (d) should show date of maturity of bonds and other evidence of indebtedness. In case obligations of the same designation mature serially, the date in column (d) may be reported as "Serially ____ to ____." Abbreviations in common use in standard financial publications may be used to conserve space.

Line No.	Account Number (a)	Class No. (b)	Kind Of Industry (c)	Name Of Issuing Company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent Of Control (e)	Line No.
1	721	A-1	VII	Wisconsin Central Transportation Corporation (Algoma Central Railway)	100 %	1
2	721	A-1	VII	Peoria and Pekin Union Railway Company	47 %	2
3	721	A-1	VII	Mississippi Export Railroad Company	38 %	3
4	721	A-1	VII	Paducah & Illinois Railroad Company	33 %	4
5	721	A-1	VII	The Belt Railway Company of Chicago	17 %	5
6	721	A-1	VII	Terminal Railroad Association of St. Louis	14%	6
7	721	A-1	VII	TTX Company (Trailer Train)	3 %	7
8						8
9				Sub Total		9
10						10
11	721	A-3	X	Wisconsin Central International Inc.	100 %	11
12	721	A-3	VII	IC Railmarine Terminal Company	100 %	12
13	721	A-3	VI	CV Properties Incorporated	100 %	13
14	721	A-3	VII	Railcase Associates	50 %	14
15	721	A-3	VII	Great Lakes Fleet Inc.	100 %	15
16						16
17				Sub Total		17
18						18
19	721	E-1	VII	Paducah & Illinois Railroad Company		19
20	721	E-1	VII	Terminal Railroad Association of St. Louis		20
21	721	E-1	VII	Wisconsin Central Transportation Corporation (Algoma Central Railway)		21
22						22
23				Sub Total		23
24						24
25	721	E-3	X	Wisconsin Central International Inc.		25
26	721	E-3	VII	IC Railmarine Terminal Company		26
27	721	E-3	VI	CV Properties Incorporated		27
28	721	E-3	VII	Great Lakes Fleet Inc.		28
29						29
30				Sub Total		30
31						31
32				Grand Total		32
33						33
34				Reconciliation to Schedule 200		34
35						35
36				Column (i) Line 32	97,593	36
37				Schedule 310A Column (g) Line 27	179,551	37
38				Total	277,144	38
39						39
40				Schedule 200 Column (b) Line 16	277,144	40

-310 - INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - (Continued)

(Dollars in Thousands)

6 If any of the companies included in this schedule are controlled by respondent, the percent of control should be shown in column (c) In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In case of joint control, give names of other parties and particulars of control.

7. If any advances reported are pledged, give particulars in a footnote

8 Investments in companies in which neither the original cost or present equity in total assets are less than \$10,000 may be combined in one figure.

9. Also include investments in unincorporated entities such as lessee organizations (exclusive of amounts nominally settled on a current basis)

10. This schedule should not include securities issued or assumed by respondent.

11 For affiliates which do not report to the Surface Transportation Board and are jointly owned, give names and extent of control by other entities by footnotes.

Line No	Investments and Advances				Disposed of profit (loss) (j)	Adjustments Account 721.5 (k)	Dividends or interest credited to income (l)	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h) *	Closing Balance (i)				
1	85,105	-	2	85,103	-	-	-	1
2	474	-	-	474	-	-	-	2
3	-	172	-	172	-	-	-	3
4	401	-	-	401	-	-	-	4
5	520	-	-	520	-	-	-	5
6	-	-	-	-	-	-	-	6
7	643	-	-	643	-	-	-	7
8								8
9	87,143	172	2	87,313	-	-	-	9
10								10
11	(31,843)	-	-	(31,843)	-	-	-	11
12	75,247	-	-	75,247	-	-	-	12
13	5,193	-	-	5,193	-	-	-	13
14	-	-	-	-	-	-	-	14
15	65,999	-	-	65,999	-	-	-	15
16								16
17	114,596	-	-	114,596	-	-	-	17
18								18
19	675	-	-	675	-	-	-	19
20	-	-	-	-	-	-	-	20
21	12,249	-	3,826	8,423	-	-	-	21
22								22
23	12,924	-	3,826	9,098	-	-	-	23
24								24
25	(156,090)	39,342	-	(116,748)	-	-	-	25
26	(6,607)	-	7,285	(13,892)	-	-	-	26
27	(6,286)	-	129	(6,415)	-	-	-	27
28	25,432	-	1,791	23,641	-	-	-	28
29								29
30	(143,551)	39,342	9,205	(113,414)	-	-	-	30
31								31
32	71,112	39,514	13,033	97,593	-	-	-	32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

* Deductions represent changes in inter-company balances.

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310 - INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - (Continued)

(Dollars in Thousands)

Line No.	Account Number (a)	Class No (b)	Kind Of Industry (c)	Name Of Issuing Company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent Of Control (e)	Line No.
1						1
2						2
3						3
4						4
5						5
6						6
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36						36
37						37
38						38
39						39
40						40

310 - INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - (Continued)

(Dollars in Thousands)

Line No.	Investments and Advances				Disposed of profit (loss) (j)	Adjustments Account 721 5 (k)	Dividends or interest credited to income (l)	Line No
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1								1
2								2
3								3
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40								40

310A. - INVESTMENTS IN COMMON STOCK OF AFFILIATED COMPANIES

(Dollars in Thousands)

Undistributed Earnings From Certain Investments in Affiliated Companies

1. Report below the details of all investments in common stock included in Account 721, Investments and Advances Affiliated Companies.
2. Enter in column (c) the amount necessary to retroactively adjust those investments. (See Instruction 5-2, Uniform System of Accounts).
3. Enter in column (d) the share of undistributed earnings (i.e., dividends) or losses.
4. Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost) at date of acquisition.
5. For definitions of carrier and noncarrier, see general instructions.

Road Initials: GTC Year 2008

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustments for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No.
1	Carriers: (List specifics for each company)							
1	Wisconsin Central Transportation Corporation (Algoma Central Railway)	71,911	-	(16,372)	-	-	55,539	1
2	Peoria and Pekin Union Railway Company	2,617	-	(452)	-	-	2,165	2
3	Mississippi Export Railroad Company	6,188	(172)	1,840	-	-	7,856	3
4							-	4
5							-	5
6							-	6
7							-	7
8							-	8
9							-	9
10							-	10
11							-	11
12							-	12
13	Total Carrier	80,716	(172)	(14,984)	-	-	65,560	13
14	Noncarriers (List specifics for each company)							
14	Wisconsin Central International Inc.	159,673	-	(5,844)	-	-	153,829	14
15	IC Railmarine Terminal Company	(45,813)	-	500	-	-	(45,313)	15
16	CV Properties Incorporated	1,305	-	533	-	-	1,838	16
17	Great Lakes Fleet Inc.	1,805	-	1,832	-	-	3,637	17
18							-	18
19							-	19
20							-	20
21							-	21
22							-	22
23							-	23
24							-	24
25	Total Non Carrier	116,970	-	(2,979)	-	-	113,991	25
26								26
27	Total	197,686	(172)	(17,963)	-	-	179,551	27

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in Account No. 731, "Road and Equipment Property", and Account No. 732, "Improvements on Leased Property" classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should, insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (g) should be the net of the amounts in columns (c) through (f). Column (h) is the aggregate of columns (b) through (f), inclusive. Grand totals of columns (b) and (h) should equal the sum of Accounts 731 and 732 for the respective periods, if not, a full explanation should be made in a footnote.
2. In column (c), show disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, and for the extension of old lines, as provided for in Instruction 2-1, "Items to be charged" in the Uniform System of Accounts for Railroad Companies for such items.
3. In column (d), show the cost of a railway or portion thereof, acquired as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise.
4. Columns (c) and (e) should include all entries covering expenditures for additions and betterments, as defined, whether or not replacing other property.
5. All credits representing property sold, abandoned, or otherwise retired should be shown in column (f).
6. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in the column in which the item was initially included. Also, the transfer of prior years' debits or credits from investment in road and equipment to operating expenses or other accounts, or vice versa, should be included in the column applicable to current items of like nature. Each such transfer, adjustment, or clearance should be fully explained when in excess of \$100,000.
7. If during the year an individual charge of \$100,000 or more was made to Account No. 2, "Land for Transportation Purposes", state the cost, location, area, and other details which will identify the property in a footnote.
8. Report on line 29, amounts not included in the primary road accounts. The items reported should be briefly identified and explained under "Notes and Remarks," below. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Board for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board.
9. If during the year a segment of transportation property was acquired, state in a footnote the name of the vendor, the mileage acquired, and the date of acquisition, giving location and the cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.
10. If an amount of less than \$5,000 is used as the minimum for additions and betterments to property investment accounts as provided for in Instruction 2-2 of the Uniform System of Accounts for Railroad Companies, state the amount used in a footnote.

NOTES AND REMARKS

* In 2008, CN (including its subsidiary, Grand Trunk Corporation) undertook a review of the classification of its asset categories. The review revealed that certain assets were misclassified. As a result, GTC reclassified the assets in question and adjusted the gross property and accumulated depreciation values. In addition, depreciation expense was calculated based on the adjusted gross property values. The net impact was considered immaterial.

330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT

(Dollars in Thousands)

Line No.	Cross check	Account (a)	Balance at Beginning of year (b)	Expenditures during the year for original road & equipment & road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc (d) *	Line No
1		(2) Land for transportation purposes	1,290,129	-	-	1
2		(3) Grading	1,198,206	-	-	2
3		(4) Other right-of-way expenditures	276	-	-	3
4		(5) Tunnels and subways	168,861	-	-	4
5		(6) Bridges, trestles, and culverts	1,473,608	-	-	5
6		(7) Elevated structures	-	-	-	6
7		(8) Ties	849,661	-	-	7
8		(9) Rail and other track material	2,206,152	-	-	8
9		(11) Ballast	647,033	-	-	9
10		(13) Fences, snowsheds, and signs	1,890	-	-	10
11		(16) Stations and office buildings	99,748	-	-	11
12		(17) Roadway buildings	21,518	-	-	12
13		(18) Water stations	1,916	-	-	13
14		(19) Fuel stations	35,296	-	-	14
15		(20) Shops and enginehouses	69,917	-	-	15
16		(22) Storage warehouses	7,014	-	-	16
17		(23) Wharves and docks	860	-	-	17
18		(24) Coal and ore wharves	117,134	-	-	18
19		(25) TOFC/COFC terminals	61,696	-	-	19
20		(26) Communication systems	78,777	-	-	20
21		(27) Signals and interlockers	231,620	-	-	21
22		(29) Power plants	145	-	-	22
23		(31) Power-transmission systems	1,872	-	-	23
24		(35) Miscellaneous structures	8,221	-	-	24
25		(37) Roadway machines	91,119	-	(33,412)	25
26		(39) Public improvements - construction	66,250	-	-	26
27		(44) Shop machinery	28,735	-	-	27
28		(45) Power-plant machinery	792	-	-	28
29		Other lease/rentals	-	-	-	29
30		TOTAL EXPENDITURES FOR ROAD	8,758,446	-	(33,412)	30
31		(52) Locomotives	372,715	-	-	31
32		(53) Freight-train cars	717,407	-	-	32
33		(54) Passenger-train cars	447	-	-	33
34		(55) Highway revenue equipment	4,284	-	-	34
35		(56) Floating equipment	1,202	-	-	35
36		(57) Work equipment	15,776	-	33,412	36
37		(58) Miscellaneous equipment	7,966	-	-	37
38		(59) Computer systems & word processing equipment	16,526	-	-	38
39		TOTAL EXPENDITURES FOR EQUIPMENT	1,136,323	-	33,412	39
40		(76) Interest during construction	2,113	-	-	40
41		(80) Other elements of investment	1,863	-	-	41
42		(90) Construction in progress	5,689	-	-	42
43		GRAND TOTAL	9,904,434	-	-	43

* See Notes and Remarks on Page 31

330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT - Continued

(Dollars in Thousands)

Line No	Cross check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No
1	2	2,690	1,326	1,364	1,291,493	1
2	3	14,692	-	14,692	1,212,898	2
3	4	-	-	-	276	3
4	5	-	13,900	(13,900)	154,961	4
5	6	50,138	11,647	38,491	1,512,099	5
6	7	-	-	-	-	6
7	8	72,693	35,231	37,462	887,123	7
8	9	101,102	60,988	40,114	2,246,266	8
9	11	30,335	15,027	15,308	662,341	9
10	13	10	-	10	1,900	10
11	16	3,750	-	3,750	103,498	11
12	17	1,872	-	1,872	23,390	12
13	18	-	-	-	1,916	13
14	19	1,467	-	1,467	36,763	14
15	20	7,899	(1)	7,900	77,817	15
16	22	-	(36)	36	7,050	16
17	23	-	-	-	860	17
18	24	9,011	-	9,011	126,145	18
19	25	6,408	-	6,408	68,104	19
20	26	466	16	450	79,227	20
21	27	19,303	1,223	18,080	249,700	21
22	29	-	-	-	145	22
23	31	-	-	-	1,872	23
24	35	29	-	29	8,250	24
25	37	7,753	-	(25,659)	65,460	25
26	39	9,967	1,081	8,886	75,136	26
27	44	940	189	751	29,486	27
28	45	-	-	-	792	28
29		-	-	-	-	29
30		340,525	140,591	166,522	8,924,968	30
31	52	7,079	1,331	5,748	378,463	31
32	53	46,993	89,374	(42,381)	675,026	32
33	54	-	-	-	447	33
34	55	10	-	10	4,294	34
35	56	-	-	-	1,202	35
36	57	-	-	33,412	49,188	36
37	58	726	-	726	8,692	37
38	59	9,220	2,063	7,157	23,683	38
39		64,028	92,768	4,672	1,140,995	39
40	76	-	-	-	2,113	40
41	77.80	-	-	-	1,863	41
42	90	131	-	131	5,820	42
43		404,684	233,359	171,325	10,075,759	43

332. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS

(Dollars in Thousands)

- 1 Show in columns (b) and (c), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (e) and (f) show the depreciation base used to compute the depreciation charges for the month of December. In columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 31-25-00, 35-21-00, 35-23-00, 35-22-00 and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefor are included in the rent for equipment. Account Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00 and 36-25-00, inclusive. The composite rates used should be those prescribed or otherwise authorized by the Board, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.
- 2 All leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
- 3 Show in columns (e), (f) and (g) data applicable to lessor property, when the rent therefor is included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
- 4 If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the effected account(s).
- 5 Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation Base		Annual composite rate (%) (d)	Depreciation Base		Annual composite rate (%) (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading	1,198,206	1,202,589	1.27				1
2	(4) Other right-of-way expenditures	276	276	4.53				2
3	(5) Tunnels and subways	168,861	154,961	1.70				3
4	(6) Bridges, trestles, and culverts	1,473,608	1,508,073	1.36				4
5	(7) Elevated structures	-	-	-				5
6	(8) Ties	849,661	895,964	2.19				6
7	(9) Rail and other track material	2,206,152	2,278,203	2.30				7
8	(11) Ballast	647,033	671,636	2.18				8
9	(13) Fences, snowsheds, and signs	1,890	1,900	0.69				9
10	(16) Station and office buildings	99,748	101,773	2.16				10
11	(17) Roadway buildings	21,518	22,132	2.23				11
12	(18) Water stations	1,916	1,916	3.24				12
13	(19) Fuel stations	35,296	35,956	3.60				13
14	(20) Shops and enginehouses	69,917	72,921	1.49				14
15	(22) Storage warehouses	7,014	7,014	7.34				15
16	(23) Wharves and docks	860	860	1.91				16
17	(24) Coal and ore wharves	117,134	123,174	2.15				17
18	(25) TOFC/COFC terminals	61,696	66,255	2.66				18
19	(26) Communication systems	78,777	79,151	3.01				19
20	(27) Signals and interlockers	231,620	244,983	2.91				20
21	(29) Power plants	145	145	1.63				21
22	(31) Power transmission systems	1,872	1,872	0.89				22
23	(35) Miscellaneous structures	8,221	8,221	1.27				23
24	(37) Roadway machines	91,119	62,799	2.05				24
25	(39) Public improvements-construction	66,250	74,372	2.03				25
26	(44) Shop machinery	28,735	29,244	1.82				26
27	(45) Power plant machinery	792	792	0.68				27
28	All other road accounts	-	-	-				28
29	Amortization (other than def. projects)	-	-	-				29
30	TOTAL ROAD	7,468,317	7,647,182	1.93				30
	EQUIPMENT							
31	(52) Locomotives	372,715	378,774	3.37				31
32	(53) Freight-train cars	717,407	640,477	3.19				32
33	(54) Passenger train cars	447	447	2.87				33
34	(55) Highway revenue equipment	4,284	4,294	7.44				34
35	(56) Floating equipment	1,202	1,202	2.19				35
36	(57) Work equipment	15,776	49,187	3.01				36
37	(58) Miscellaneous equipment	7,966	8,229	11.52				37
38	(59) Computer systems and WP equipment	16,526	20,498	14.64				38
39	TOTAL EQUIPMENT	1,136,323	1,103,108	3.51				39
40	GRAND TOTAL	8,604,640	8,750,290	2.14			N/A	40

335. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT OWNED AND USED
(Dollars in 'Thousands)

1. Disclose the required information regarding credits and debits to Account No. 735, "Accumulated Depreciation Road and Equipment Property" during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals - Credit - Equipment" accounts and "Other Rents - Credit - Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental - Debit - Equipment" accounts and "Other Rents - Debit - Equipment" accounts (See Schedule 351 for accumulated depreciation to road and equipment owned and leased to others.)
2. If any data are included in columns (d) or (f), explain the entries in detail
3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."
4. If there is any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses, a full explanation should be given.
5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39

Line No	Cross Check	Account	Balance at beginning of year (b)	CREDITS TO RESERVE		DEBITS TO RESERVE		Balance at close of year (g)	Line No
				During the year		During the year			
		(a)		Charges to operating expenses (c)	Other Credits (d)**	Retirements (e)	Other Debits (f)***		
ROAD									
1		(3) Grading	126,952	15,088	-	(10)	-	142,050	1
2		(4) Other, right-of-way expenditures	202	-	-	-	-	202	2
3		(5) Tunnels and subways	39,579	209	-	(21)	-	39,809	3
4		(6) Bridges, trestles, and culverts	164,414	20,281	-	11,647	-	173,048	4
5		(7) Elevated structures	-	-	-	-	-	-	5
6		(8) Ties	129,868	22,755	11	44,933	-	107,701	6
7		(9) Rail and other track material	357,258	53,870	3,985	67,386	9,022	338,705	7
8		(11) Ballast	168,875	17,420	-	15,027	-	171,268	8
9		(13) Fences, snowsheds, and signs	764	11	-	-	-	775	9
10		(16) Station and office buildings	18,843	2,059	-	-	-	20,902	10
11		(17) Roadway buildings	1,668	488	-	-	-	2,156	11
12		(18) Water stations	768	61	-	-	-	829	12
13		(19) Fuel stations	7,623	1,295	-	-	-	8,918	13
14		(20) Shops and enginehouses	21,747	1,354	-	(5)	-	23,106	14
15		(22) Storage warehouses	2,607	218	-	4	-	2,821	15
16		(23) Wharves and docks	860	-	-	-	-	860	16
17		(24) Coal and ore wharves	16,878	2,665	-	-	-	19,543	17
18		(25) TOFC/COFC terminals	14,794	1,687	-	-	-	16,481	18
19		(26) Communication systems	29,925	2,259	-	16	-	32,168	19
20		(27) Signals and interlockers	48,632	6,778	-	1,223	2	54,185	20
21		(29) Power plants	93	2	-	-	-	95	21
22		(31) Power-transmission systems	1,157	11	-	-	-	1,168	22
23		(35) Miscellaneous structures	769	100	-	-	-	869	23
24		(37) Roadway machines	27,721	2,213	195	4,813	-	25,316	24
25		(39) Public improvements-Construction	12,973	1,356	7	1,081	-	13,255	25
26		(44) Shop machinery *	11,249	461	-	189	-	11,521	26
27		(45) Power-plant machinery	496	4	-	-	-	500	27
28		All other road accounts	-	-	-	-	-	-	28
29		Amortization (Adjustments)	(77,022)	3,179				(73,843)	29
30		TOTAL ROAD	1,129,693	155,824	4,198	146,283	9,024	1,134,408	30
EQUIPMENT									
31		(52) Locomotives	69,632	11,486	3,488	2,529	-	82,077	31
32		(53) Freight-train cars	120,056	19,162	30,391	88,177	2,431	79,001	32
33		(54) Passenger-train cars	64	13	-	-	-	77	33
34		(55) Highway revenue equipment	2,086	745	-	-	-	2,831	34
35		(56) Floating equipment	898	17	-	-	-	915	35
36		(57) Work equipment	5,509	1,042	-	(4,813)	-	11,364	36
37		(58) Miscellaneous equipment	7,572	1,093	-	(27)	-	8,692	37
38		(59) Computer systems and word processing equipment	5,938	2,734	-	2,063	-	6,609	38
39		Amortization Adjustments	-	-	-	-		-	39
40		TOTAL EQUIPMENT	211,755	36,292	33,879	87,929	2,431	191,566	40
41		GRAND TOTAL	1,341,448	192,116	38,077	234,212	11,455	1,325,974	41

* To be reported with equipment expenses rather than W & S expenses

** Column (d) represents salvage relating to closed projects.

*** Column (f) represents dismantling charges relating to closed projects.

339. ACCRUED LIABILITY - LEASED PROPERTY
(Dollars in Thousands)

- 1 Disclose the required information relating to credits and debits of Account 772, "Accrued Liability Leased Property", during the year concerning road and equipment leased from others
- 2 In column (c), enter amounts charged to operating expenses. In column (e), enter debits to account arising from retirements. In column (f), enter amounts paid to lessor
- 3 Any inconsistencies between credits to account, charges to operating expenses and payments to lessors should be fully explained
- 4 Required disclosure may be omitted if leased road and equipment property represents 5% or less of total property owned and used
- 5 If settlement for depreciation is made currently between lessee and lessor, and no debits or credits to Account No. 772 are made by the accounting company, show in column (c) the charges to operating expenses, and in column (f) show payments made to the lessor in settlement thereof

Line No.	Cross check	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenses							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material			NIL				7
8		(11) Ballast							8
9		(13) Fences, snowsheds, and signs							9
10		(16) Stations and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power-transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-construction							25
26		(44) Shop machinery *							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		Amortization (adjustments)							29
30		TOTAL ROAD							30
		EQUIPMENT							
31		(52) Locomotives							31
32		(53) Freight-train cars							32
33		(54) Passenger-train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems and word processing equipment							38
39		Amortization (adjustments)							39
40		TOTAL EQUIPMENT							40
41		GRAND TOTAL							41

* To be reported with equipment expenses rather than W & S expenses

340. DEPRECIATION BASE AND RATES - IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

(Dollars in thousands)

1. Show in column (b) for each primary account the depreciation base used in computing the depreciation charges for the month of January, and in column (c) show the depreciation base used in computing the depreciation charges for the month of December, in column (d) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 40 of these columns show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charged to account 732, "Improvements on Leased Property." The composite rates used should be those prescribed or otherwise authorized by the Board, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.

2. All improvements to leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.

3. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the effected account(s).

4. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of the total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No.	Account (a)	Depreciation Base		Annual composite rate (percent) (d)	Line No.
		Beginning of year (b)	Close of year (c)		
	ROAD				
1	(3) Grading				1
2	(4) Other right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles & culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail & other track material				7
8	(11) Ballast				8
9	(13) Fences snowsheds & signs				9
10	(16) Station & office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops & enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves & docks				16
17	(24) Coal & ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communication systems				19
20	(27) Signals & interlockers				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements-const.				25
26	(44) Shop machinery *				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (adjustments)				29
30	TOTAL ROAD				30
	EQUIPMENT				
31	(52) Locomotives				31
32	(53) Freight-train cars				32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems & WP equip.				38
39	Amortization (adjustments)				39
40	TOTAL EQUIPMENT				40
41	GRAND TOTAL	18,725	18,725	N/A	41

* To be reported with equipment expenses rather than W & S expenses

342. ACCUMULATED DEPRECIATION - IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

- 1 Enter the required information concerning debits and credits to account 733, "Accumulated Depreciation - Improvements on Leased Property", during the year relating to improvements made to road and equipment property leased from others, the depreciation charges for which are included in operating expenses of the respondent.
- 2 If any entries are made for column (d) "Other credits" or column (f) "Other debits", state the facts occasioning such entries on page 39. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr".
- 3 Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained on page 39.
- 4 Show in column (e) the debits to the reserve arising from retirements. These debits should not exceed investment, etc.
- 5 Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39 Grand Total, should be completed.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading						-	1
2		(4) Other right-of-way expenditures						-	2
3		(5) Tunnels and subways						-	3
4		(6) Bridges, trestles & culverts						-	4
5		(7) Elevated structures						-	5
6		(8) Ties						-	6
7		(9) Rail & other track material						-	7
8		(11) Ballast						-	8
9		(13) Fences snowsheds & signs						-	9
10		(16) Station & office buildings						-	10
11		(17) Roadway buildings						-	11
12		(18) Water stations						-	12
13		(19) Fuel stations		Not Applicable: 5% Rule					13
14		(20) Shops & enginehouses						-	14
15		(22) Storage warehouses						-	15
16		(23) Wharves & docks						-	16
17		(24) Coal & ore wharves						-	17
18		(25) TOFC/COFC terminals						-	18
19		(26) Communication systems						-	19
20		(27) Signals & interlockers						-	20
21		(29) Power plants						-	21
22		(31) Power-transmission systems						-	22
23		(35) Miscellaneous structures						-	23
24		(37) Roadway machines						-	24
25		(39) Public improvements-const						-	25
26		(44) Shop machinery *						-	26
27		(45) Power-plant machinery						-	27
28		All other road accounts						-	28
29		TOTAL ROAD	-	-				-	29
		EQUIPMENT							
30		(52) Locomotives						-	30
31		(53) Freight-train cars						-	31
32		(54) Passenger-train cars						-	32
33		(55) Highway revenue equipment						-	33
34		(56) Floating equipment						-	34
35		(57) Work equipment						-	35
36		(58) Miscellaneous equipment						-	36
37		(59) Computer systems and word processing equipment						-	37
38		TOTAL EQUIPMENT						-	38
39		GRAND TOTAL	7.297	381	-	-	-	7.678	39

* To be reported with equipment expenses rather than W & S expenses.

NOTES AND REMARKS FOR SCHEDULE 342

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350. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in Thousands) -

1. This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00 and 32-23-00.

2. Show in columns (b) and (c), for each property account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not included in operating expenses of the respondent, but for which the depreciation reserve is recorded in the accounts of the respondent. If the base for road is other than the original cost or estimated original cost as found by the Board's Office of Economic and Environmental Analysis, brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment, a full explanation should be given.

3. In column (d) show the composite rates used to compute the depreciation for December and on lines 29 and 38 of this column show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary accounts composite rates to the depreciation base used to compute the depreciation for December and dividing the total also computed by the depreciation base.

4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the effected account(s).

5. Disclosures in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased to others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

Line No.	Cross Check	Account (a)	Depreciation Base		Annual composite rate (percent) (d)	Line No.
			Beginning of year (b)	Close of year (c)		
		ROAD				
1		(3) Grading				1
2		(4) Other right-of-way expenditures				2
3		(5) Tunnels and subways				3
4		(6) Bridges, trestles & culverts				4
5		(7) Elevated structures				5
6		(8) Ties				6
7		(9) Rail & other track material				7
8		(11) Ballast				8
9		(13) Fences, snowsheds and signs				9
10		(16) Station and office buildings	INCLUDED ON SCHEDULE 332			10
11		(17) Roadway buildings				11
12		(18) Water stations				12
13		(19) Fuel stations				13
14		(20) Shops and enginehouses				14
15		(22) Storage warehouses				15
16		(23) Wharves and docks				16
17		(24) Coal and ore wharves				17
18		(25) TOFC/COFC terminals				18
19		(26) Communication systems				19
20		(27) Signals and interlockers				20
21		(29) Power plants				21
22		(31) Power transmission systems				22
23		(35) Miscellaneous structures				23
24		(37) Roadway machines				24
25		(39) Public improvements-const				25
26		(44) Shop machinery				26
27		(45) Power plant machinery				27
28		All other road accounts				28
29		TOTAL ROAD				29
		EQUIPMENT				
30		(52) Locomotives				30
31		(53) Freight train cars				31
32		(54) Passenger train cars				32
33		(55) Highway revenue equipment				33
34		(56) Floating equipment				34
35		(57) Work equipment				35
36		(58) Miscellaneous equipment				36
37		(59) Computer systems and word processing equipment				37
38		TOTAL EQUIPMENT				38
39		GRAND TOTAL				39

351. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in Thousands)

1. This schedule is to be used in cases where the depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00

2. Disclose credits and debits to Account 735, "Accumulated Depreciation - Road Equipment Property", during the year relating to road and equipment leased to others, the depreciation charges for which are not includible in operating expenses of the respondent (See schedule 330 for the reserve relating to road and equipment owned and used by the respondent)

3. If any entries are made for column (d) "Other credits" or column (f) "Other debits", state the facts occasioning such entries on page 39. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr".

4. Disclosures in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased to others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retire-ments (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles & culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail & other track material							7
8		(11) Ballast							8
9		(13) Fences, snowsheds and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations		INCLUDED ON SCHEDULE 335					13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communication systems							19
20		(27) Signals and interlockers							20
21		(29) Power plants							21
22		(31) Power transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-const.							25
26		(44) Shop machinery *							26
27		(45) Power plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
		EQUIPMENT							
30		(52) Locomotives							30
31		(53) Freight train cars							31
32		(54) Passenger train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and word processing equipment							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL							39

* To be reported with equipment expenses rather than W&S expenses

352A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company)

(Dollars in Thousands)

1. Disclose the investment in railway property used in transportation service at the close of the year. This investment represents the aggregate of property owned or leased by respondent and used in the respondent's transportation service. Such property includes (a) investment reported in Accounts 731, "Road and Equipment Property", and 732 "Improvements on Leased Property" of respondent, less any 731 or 732 property leased to others for their exclusive use of road, track, or bridges (including equipment or other railway property covered by the contract). Equipment leased to others under separate distinct contracts shall not be deducted from the respondent's 731 or 732 property, and (b) the investment of other companies' 731 or 732 property (including operating and lessor railroads) used by the respondent when the lease is for exclusive use or control of roads, tracks, or bridges (including equipment or other railway property covered by the contract). This excludes leased equipment from operating railroads under separate distinct contracts and the investment of other carriers in property jointly used by the respondent.

2. In column (a), classify each company in this schedule as: "R" for respondent, "L" for lessor railroad, "P" for inactive or proprietary company, or "O" for other leased properties.

3. In column (a) to (e), inclusive, first show the data requested for the respondent (R), next the data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies; followed by data for carriers and others (O), portions of whose property are used in transportation service of respondent. Show a total for each class of company in columns (d) and (e). Then show, as deductions, data for transportation property leased to carriers and others.

4. In column (c), line-haul carriers report the miles of road used in line-haul service. Report miles in whole numbers.

5. In column (d), show the amount applicable in Accounts 731 and 732 on the books of the company whose names appear in column (b). Values of property of other carriers, segregated by estimate or otherwise, should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, an explanation should be provided. Differences between amounts shown in column (d) of this schedule and column (c), line 24, on the asset side of the general balance sheet of each individual railway should be explained in a footnote. Book values included in Accounts 731 and 732 of the owner should be reported in column (d) in reference to the investment of respondent in securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 percent or otherwise) value of property of private owners, or portions of property of other carriers, should be explained.

6. In column (e), show the amount of depreciation and amortization accrued as of the close of the year in Accounts 733, 734, 735, 736, and 772, that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefore are recorded.

Line No	Class (See Ins. 2) (a)	Name of company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation & amortization of defense projects (See Ins. 6) (e)	Line No.
1	R	Grand Trunk Corporation	6,738	10,075,759	1,325,974	1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31		TOTAL	6,738	10,075,759	1,325,974	31

352B. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE (By Property Accounts)

(Dollars in Thousands)

1 In columns (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties.

2 The amounts for respondent and for each group or class of companies and properties on Line 44 herein, should correspond with the amounts for each class of company and property shown in Schedule 352A. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in this schedule.

3 Report on line 29 amounts representing capitalization of rentals for leased property based on 6 percent per year where property is not classified by accounts by noncarrier owners, or where cost of property leased from other carriers is not ascertainable. Identify non-carrier owners, and briefly explain on page 39 the methods of estimating value of property on noncarriers or property of other carriers.

4 Report on line 30 amounts not includible in the accounts shown, or in line 29. The items reported should be briefly identified and explained. Also included here those items after permission is obtained from the Board for exceptions to prescribed accounting. Reference to such authority should be made when explaining amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board.

Line No	Cross check	Account (a)	Respondent (b)	Lessor Railroads (c)	Inactive (proprietary companies) (d)	Other leased properties (e)	Line No
1		(2) Land for transportation purposes	1,291,493				1
2		(3) Grading	1,212,898				2
3		(4) Other right-of-way expenditures	276				3
4		(5) Tunnels and subways	154,961				4
5		(6) Bridges, trestles, and culverts	1,512,099				5
6		(7) Elevated structures	-				6
7		(8) Ties	887,123				7
8		(9) Rail and other track material	2,246,266				8
9		(11) Ballast	662,341				9
10		(13) Fences, snow sheds, and signs	1,900				10
11		(16) Station and office buildings	103,498				11
12		(17) Roadway buildings	23,390				12
13		(18) Water stations	1,916				13
14		(19) Fuel stations	36,763				14
15		(20) Shops and enginehouses	77,817				15
16		(22) Storage warehouses	7,050				16
17		(23) Wharves and docks	860				17
18		(24) Coal and ore wharves	126,145				18
19		(25) TOFC/COFC terminals	68,104				19
20		(26) Communication systems	79,227				20
21		(27) Signals and interlockers	249,700				21
22		(29) Power plants	145				22
23		(31) Power transmission systems	1,872				23
24		(35) Miscellaneous structures	8,250				24
25		(37) Roadway machines	65,460				25
26		(39) Public improvements-construction	75,136				26
27		(44) Shop machinery	29,486				27
28		(45) Power plant machinery	792				28
29		Leased property (capitalized rentals)	-				29
30		Other (specify and explain) a/c 77 Other exp-General	-				30
31		TOTAL ROAD	8,924,968	-	-	-	31
32		(52) Locomotives	378,463				32
33		(53) Freight train cars	675,026				33
34		(54) Passenger train cars	447				34
35		(55) Highway revenue equipment	4,294				35
36		(56) Floating equipment	1,202				36
37		(57) Work equipment	49,188				37
38		(58) Miscellaneous equipment	8,692				38
39		(59) Computer systems & WP equipment	23,683				39
40		TOTAL EQUIPMENT	1,140,995	-	-	-	40
41		(76) Interest during construction	2,113				41
42		(80) Other elements of investment	1,863				42
43		(90) Construction work in progress	5,820				43
44		GRAND TOTAL	10,075,759	-	-	-	44

410. RAILWAY OPERATING EXPENSES (Dollars in thousands)

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with Board's rules governing the separation of such expenses between freight and passenger services.

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		WAY AND STRUCTURES								
		ADMINISTRATION								
1		Track	432	103	255	614	1,404	-	1,404	1
2		Bridge and building	2,127	302	239	1,208	3,876	-	3,876	2
3		Signal	1,881	171	203	280	2,535	-	2,535	3
4		Communication	(199)	(166)	791	36	462	-	462	4
5		Other	3,530	(3,777)	654	1,172	1,579	-	1,579	5
		REPAIR AND MAINTENANCE								
6		Roadway - running	20,315	312	1,312	452	22,391	-	22,391	6
7		Roadway - switching	3,828	37	2,816	26	6,707	-	6,707	7
8		Tunnels and subways - running	1	-	-	-	1	-	1	8
9		Tunnels and subways - switching	-	-	-	-	-	-	-	9
10		Bridges and culverts - running	3,617	45	589	208	4,459	-	4,459	10
11		Bridges and culverts - switching	47	2	7	-	56	-	56	11
12		Ties - running	108	32	1	187	328	-	328	12
13		Ties - switching	(161)	-	-	(227)	(388)	-	(388)	13
14		Rail and other track material - running	1,064	234	206	-	1,504	-	1,504	14
15		Rail and other track material - switching	2	5	-	(8)	(1)	-	(1)	15
16		Ballast - running	261	179	1,386	53	1,879	-	1,879	16
17		Ballast - switching	-	15	-	-	15	-	15	17
18		Road property damaged - running	-	-	-	-	-	-	-	18
19		Road property damaged - switching	-	-	-	-	-	-	-	19
20		Road property damaged - other	-	-	-	-	-	-	-	20
21		Signals and interlockers - running	16,032	1,631	336	632	18,631	-	18,631	21
22		Signals and interlockers - switching	595	134	1	-	730	-	730	22
23		Communications systems	4,406	(232)	535	2,247	6,956	-	6,956	23
24		Power systems	33	15	436	-	484	-	484	24
25		Highway grade crossings - running	309	55	21	-	385	-	385	25
26		Highway grade crossings - switching	3	2	3	-	8	-	8	26
27		Station and office buildings	350	840	1,579	6	2,775	-	2,775	27
28		Shop buildings - locomotives	939	65	-	-	1,004	-	1,004	28
29		Shop buildings - freight cars	30	9	9	(14)	34	N/A	34	29
30		Shop buildings - other equipment	189	61	113	-	363	-	363	30

410. RAILWAY OPERATING EXPENSES - (Continued)
(Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		REPAIR AND MAINTENANCE - (Continued)								
101		Locomotive servicing facilities	41	-	-	-	41	-	41	101
102		Miscellaneous buildings & structures	418	58	(53)	15	438	-	438	102
103		Coal terminals	447	280	708	21	1,456	N/A	1,456	103
104		Ore terminals	4,917	827	3,077	200	9,021	N/A	9,021	104
105		Other marine terminals	82	51	130	4	267	N/A	267	105
106		TOFC/COFC - terminals	251	1	227	-	479	N/A	479	106
107		Motor vehicle loading & distribution facilities	-	-	-	-	-	N/A	-	107
108		Facilities for Other Specialized Service Operations	-	-	-	-	-	N/A	-	108
109		Roadway machines	983	14,749	11,545	1,643	28,920	-	28,920	109
110		Small tools & supplies	3	5,206	4,502	113	9,824	-	9,824	110
111		Snow removal	3,287	18	849	2	4,156	-	4,156	111
112		Fringe benefits - running	N/A	N/A	N/A	14,821	14,821	-	14,821	112
113		Fringe benefits - switching	N/A	N/A	N/A	1,632	1,632	-	1,632	113
114		Fringe benefits - other	N/A	N/A	N/A	12,102	12,102	-	12,102	114
115		Casualties & insurance - running	N/A	N/A	N/A	-	-	-	-	115
116		Casualties & insurance - switching	N/A	N/A	N/A	-	-	-	-	116
117		Casualties & insurance - other	N/A	N/A	N/A	-	-	-	-	117
118	*	Lease rentals - debit - running	N/A	N/A	1,396	N/A	1,396	-	1,396	118
119	*	Lease rentals - debit - switching	N/A	N/A	-	N/A	-	-	-	119
120	*	Lease rentals - debit - other	N/A	N/A	5,402	N/A	5,402	-	5,402	120
121	*	Lease rentals - (credit) - running	N/A	N/A	-	N/A	-	-	-	121
122	*	Lease rentals - (credit) - switching	N/A	N/A	-	N/A	-	-	-	122
123	*	Lease rentals - (credit) - other	N/A	N/A	-	N/A	-	-	-	123
124		Joint facility rent - debit - running	N/A	N/A	2,469	N/A	2,469	-	2,469	124
125		Joint facility rent - debit - switching	N/A	N/A	-	N/A	-	-	-	125
126		Joint facility rent - debit - other	N/A	N/A	-	N/A	-	-	-	126
127		Joint facility rent - (credit) - running	N/A	N/A	(1,314)	N/A	(1,314)	-	(1,314)	127
128		Joint facility rent - (credit) - switching	N/A	N/A	-	N/A	-	-	-	128
129		Joint facility rent - (credit) - other	N/A	N/A	-	N/A	-	-	-	129
130	*	Other rents - debit - running	N/A	N/A	47	N/A	47	-	47	130
131	*	Other rents - debit - switching	N/A	N/A	-	N/A	-	-	-	131
132	*	Other rents - debit - other	N/A	N/A	-	N/A	-	-	-	132
133	*	Other rents - (credit) - running	N/A	N/A	-	N/A	-	-	-	133

410. RAILWAY OPERATING EXPENSES - (Continued) (Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		REPAIR AND MAINTENANCE - (Continued)								
134	*	Other rents - (credit) - switching	N/A	N/A	-	N/A	-	-	-	134
135	*	Other rents - (credit) - other	N/A	N/A	-	N/A	-	-	-	135
136	*	Depreciation - running	N/A	N/A	N/A	126,086	126,086	-	126,086	136
137	*	Depreciation - switching	N/A	N/A	N/A	18,137	18,137	-	18,137	137
138	*	Depreciation - other	N/A	N/A	N/A	11,140	11,140	-	11,140	138
139		Joint facility - debit - running	N/A	N/A	6,713	N/A	6,713	-	6,713	139
140		Joint facility - debit - switching	N/A	N/A	-	N/A	-	-	-	140
141		Joint facility - debit - other	N/A	N/A	-	N/A	-	-	-	141
142		Joint facility - (credit) - running	N/A	N/A	(11,373)	N/A	(11,373)	-	(11,373)	142
143		Joint facility - (credit) - switching	N/A	N/A	-	N/A	-	-	-	143
144		Joint facility - (credit) - other	N/A	N/A	-	N/A	-	-	-	144
145		Dismantling retired road property - running	-	-	-	-	-	-	-	145
146		Dismantling retired road property - switching	-	-	-	-	-	-	-	146
147		Dismantling retired road property - other	-	-	-	-	-	-	-	147
148		Other - running	16	220	3,322	116	3,674	-	3,674	148
149		Other - switching	1	32	435	16	484	-	484	149
150		Other - other	1,790	1,439	6,215	281	9,725	-	9,725	150
151		TOTAL WAY AND STRUCTURES	71,975	22,955	45,789	193,201	333,920	-	333,920	151
		EQUIPMENT								
		LOCOMOTIVES								
201		Administration	3,834	915	4,862	(250)	9,361	-	9,361	201
202	*	Repair and maintenance	15,412	31,659	7,643	444	55,158	-	55,158	202
203	*	Machinery repair	-	1	-	-	1	-	1	203
204		Equipment damaged	-	-	-	-	-	-	-	204
205		Fringe benefits	N/A	N/A	N/A	5,017	5,017	-	5,017	205
206		Other casualties and insurance	N/A	N/A	N/A	-	-	-	-	206
207	*	Lease rentals - debit	N/A	N/A	6,772	N/A	6,772	-	6,772	207
208	*	Lease rentals - (credit)	N/A	N/A	(38)	N/A	(38)	-	(38)	208
209		Joint facility rent - debit	N/A	N/A	-	N/A	-	-	-	209
210		Joint facility rent - (credit)	N/A	N/A	-	N/A	-	-	-	210
211	*	Other rents - debit	N/A	N/A	-	N/A	-	-	-	211
212	*	Other rents - (credit)	N/A	N/A	-	N/A	-	-	-	212
213	*	Depreciation	N/A	N/A	N/A	11,486	11,486	-	11,486	213
214		Joint facility - debit	N/A	N/A	-	N/A	-	-	-	214
215		Joint facility - (credit)	N/A	N/A	-	N/A	-	-	-	215
216	*	Repairs billed to others - (credit)	N/A	N/A	-	N/A	-	-	-	216

410. RAILWAY OPERATING EXPENSES - (Continued)
(Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
217		LOCOMOTIVES - (Continued)								217
218		Dismantling retired property	-	-	-	-	-	-	-	218
219		Other	-	74	50	(170)	(46)	-	(46)	219
		TOTAL LOCOMOTIVES	19,246	32,649	19,289	16,527	87,711	-	87,711	
		FREIGHT CARS								
220		Administration	4,723	597	(91)	395	5,624	N/A	5,624	220
221	*	Repair and maintenance	12,902	22,475	17,058	(313)	52,122	N/A	52,122	221
222	*	Machinery repair	44	8	82	-	134	N/A	134	222
223		Equipment damaged	-	-	-	-	-	N/A	-	223
224		Fringe benefits	N/A	N/A	N/A	4,737	4,737	N/A	4,737	224
225		Other casualties and insurance	N/A	N/A	N/A	-	-	N/A	-	225
226	*	Lease rentals - debit	N/A	N/A	48,592	N/A	48,592	N/A	48,592	226
227	*	Lease rentals - (credit)	N/A	N/A	(2,917)	N/A	(2,917)	N/A	(2,917)	227
228		Joint facility rent - debit	N/A	N/A	-	N/A	-	N/A	-	228
229		Joint facility rent - (credit)	N/A	N/A	-	N/A	-	N/A	-	229
230	*	Other rents - debit	N/A	N/A	97,129	N/A	97,129	N/A	97,129	230
231	*	Other rents - (credit)	N/A	N/A	(85,238)	N/A	(85,238)	N/A	(85,238)	231
232	*	Depreciation	N/A	N/A	N/A	19,162	19,162	N/A	19,162	232
233		Joint facility - debit	N/A	N/A	-	N/A	-	N/A	-	233
234		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	234
235	*	Repairs billed to others - (credit)	N/A	N/A	(16,433)	N/A	(16,433)	N/A	(16,433)	235
236		Dismantling retired property	-	-	-	-	-	N/A	-	236
237		Other	-	(34)	87	14	67	N/A	67	237
238		TOTAL FREIGHT CARS	17,669	23,046	58,269	23,995	122,979	-	122,979	238
		OTHER EQUIPMENT								
301		Administration	1,927	(7)	(263)	34	1,691	-	1,691	301
		Repair and maintenance								
302	*	Trucks, trailers, and containers - revenue service	-	-	2,558	(141)	2,417	N/A	2,417	302
303	*	Floating equipment - revenue service	1,348	830	477	16	2,671	N/A	2,671	303
304	*	Passenger and other revenue equipment	147	12	86	-	245	-	245	304
305	*	Computer systems and word processing equipment	-	-	-	-	-	-	-	305
306	*	Machinery	-	92	9	-	101	-	101	306
307	*	Work and other non-revenue equipment	2,210	2,127	1,113	493	5,943	-	5,943	307
308		Equipment damaged	-	-	-	-	-	-	-	308
309		Fringe benefits	N/A	N/A	N/A	3,149	3,149	-	3,149	309
310		Other casualties and insurance	N/A	N/A	N/A	-	-	-	-	310
311	*	Lease rentals - debit	N/A	N/A	6	N/A	6	-	6	311
312	*	Lease rentals - (credit)	N/A	N/A	(158)	N/A	(158)	-	(158)	312

410. RAILWAY OPERATING EXPENSES - (Continued)
(Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		OTHER EQUIPMENT - (Continued)								
313		Joint facility rent - debit	N/A	N/A	-	N/A	-	-	-	313
314		Joint facility rent - (credit)	N/A	N/A	-	N/A	-	-	-	314
315	*	Other rents - debit	N/A	N/A	10,925	N/A	10,925	-	10,925	315
316	*	Other rents - (credit)	N/A	N/A	(4,395)	N/A	(4,395)	-	(4,395)	316
317	*	Depreciation	N/A	N/A	N/A	6,105	6,105	-	6,105	317
318		Joint facility - debit	N/A	N/A	-	N/A	-	-	-	318
319		Joint facility - (credit)	N/A	N/A	-	N/A	-	-	-	319
320	*	Repairs billed to others - (credit)	N/A	N/A	-	N/A	-	-	-	320
321		Dismantling retired property	-	-	-	-	-	-	-	321
322		Other	-	(37)	-	-	(37)	-	(37)	322
323		TOTAL OTHER EQUIPMENT	5,632	3,017	10,358	9,656	28,663	-	28,663	323
324		TOTAL EQUIPMENT	42,547	58,712	87,916	50,178	239,353	-	239,353	324
		TRANSPORTATION								
		TRAIN OPERATIONS								
401		Administration	3,519	353	90	463	4,425	-	4,425	401
402		Engine crews	67,948	34	2,178	7	70,167	-	70,167	402
403		Train crews	66,156	32	2,200	8	68,396	-	68,396	403
404		Dispatching trains	10,386	2	51	358	10,797	-	10,797	404
405		Operating signals and interlockers	-	-	-	-	-	-	-	405
406		Operating drawbridges	-	-	-	-	-	-	-	406
407		Highway crossing protection	-	-	-	-	-	-	-	407
408		Train inspection and lubrication	13,295	998	3,594	204	18,091	-	18,091	408
409		Locomotive fuel	3	268,185	293	1	268,482	-	268,482	409
410		Electric power purchased or produced for motive power	-	-	-	-	-	-	-	410
411		Servicing locomotives	5,860	734	44	(146)	6,492	-	6,492	411
412		Freight lost or damaged - solely related	N/A	N/A	N/A	3,030	3,030	-	3,030	412
413		Clearing wrecks	202	(4)	5,027	(405)	4,820	-	4,820	413
414		Fringe benefits	N/A	N/A	N/A	63,092	63,092	-	63,092	414
415		Other casualties and insurance	N/A	N/A	N/A	4,735	4,735	-	4,735	415
416		Joint facility - debit	N/A	N/A	7,301	N/A	7,301	-	7,301	416
417		Joint facility - (credit)	N/A	N/A	(1,756)	N/A	(1,756)	-	(1,756)	417
418		Other	(76)	214	1,351	5	1,494	-	1,494	418
419		TOTAL TRAIN OPERATIONS	167,293	270,548	20,373	71,352	529,566	-	529,566	419
		YARD OPERATIONS								
420		Administration	301	558	112	261	1,232	-	1,232	420
421		Switch crews	72,400	30	363	-	72,793	-	72,793	421

410. RAILWAY OPERATING EXPENSES - (Continued)
(Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
422		YARD OPERATIONS - (Continued)								
		Controlling operations	11,148	2	53	51	11,254	-	11,254	422
423		Yard and terminal clerical	11,149	33	85	295	11,562	-	11,562	423
424		Operating switches, signals, retarders and humps	-	-	-	-	-	-	-	424
425		Locomotive fuel	-	37,374	42	-	37,416	-	37,416	425
426		Electric power purchased or produced for motive power	-	-	-	-	-	-	-	426
427		Servicing locomotives	918	91	6	(18)	997	-	997	427
428		Freight lost or damaged - solely related	N/A	N/A	N/A	-	-	-	-	428
429		Clearing wrecks	-	-	-	-	-	-	-	429
430		Fringe benefits	N/A	N/A	N/A	33,203	33,203	-	33,203	430
431		Other casualties and insurance	N/A	N/A	N/A	-	-	-	-	431
432		Joint facility - debit	N/A	N/A	1,699	N/A	1,699	-	1,699	432
433		Joint facility - (credit)	N/A	N/A	(4,615)	N/A	(4,615)	-	(4,615)	433
434		Other	-	482	362	6	850	-	850	434
435		TOTAL YARD OPERATIONS	95,916	38,570	(1,893)	33,798	166,391	-	166,391	435
501		TRAIN AND YARD OPERATIONS COMMON								
		Cleaning car interiors	3,385	-	188	N/A	3,573	-	3,573	501
502		Adjusting and transferring loads	269	50	622	N/A	941	N/A	941	502
503		Car loading devices and grain docks	-	-	-	N/A	-	N/A	-	503
504		Freight lost or damaged - all other	N/A	N/A	N/A	-	-	-	-	504
505		Fringe benefits	N/A	N/A	N/A	1,050	1,050	-	1,050	505
506		TOTAL TRAIN & YARD OPERATIONS COMMON	3,654	50	810	1,050	5,564	-	5,564	506
507	*	SPECIALIZED SERVICE OPERATIONS								
		Administration	1,995	3	1,382	284	3,664	N/A	3,664	507
508	*	Pickup and delivery and marine line haul	10,968	1,709	8,249	691	21,617	N/A	21,617	508
509	*	Loading and unloading and local marine	2,617	76	1,021	54	3,768	N/A	3,768	509
510	*	Protective services	-	-	-	-	-	N/A	-	510
511	*	Freight lost or damaged - solely related	N/A	N/A	N/A	-	-	N/A	-	511
512	*	Fringe benefits	N/A	N/A	N/A	4,409	4,409	N/A	4,409	512
513	*	Casualties and insurance	N/A	N/A	N/A	-	-	N/A	-	513
514	*	Joint facility - debit	N/A	N/A	-	N/A	-	N/A	-	514
515	*	Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	515
516	*	Other	4	115	1,706	12	1,837	N/A	1,837	516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	15,584	1,903	12,358	5,450	35,295	-	35,295	517

410. RAILWAY OPERATING EXPENSES - (Continued)
(Dollars in thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Materials, tools, supplies, fuels & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		ADMINISTRATIVE SUPPORT OPERATIONS								
518		Administration	30,980	729	984	3,041	35,734	-	35,734	518
519		Employees performing clerical & accounting functions	3,615	(225)	5	18	3,413	-	3,413	519
520		Communication systems operation	-	-	1,189	-	1,189	-	1,189	520
521		Loss and damage claims processing	-	-	-	-	-	-	-	521
522		Fringe benefits	N/A	N/A	N/A	14,281	14,281	-	14,281	522
523		Casualties and insurance	N/A	N/A	N/A	-	-	-	-	523
524		Joint facility - debit	N/A	N/A	-	N/A	-	-	-	524
525		Joint facility - (credit)	N/A	N/A	-	N/A	-	-	-	525
526		Other	442	3,990	26,125	(2,398)	28,159	-	28,159	526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	35,037	4,494	28,303	14,942	82,776	-	82,776	527
528		TOTAL TRANSPORTATION	317,484	315,565	59,951	126,592	819,592	-	819,592	528
		GENERAL AND ADMINISTRATIVE								
601		Officers - general administration	9,319	886	9,524	3,284	23,013	-	23,013	601
602		Accounting, auditing and finance	1,712	-	510	3,552	5,774	-	5,774	602
603		Management services and data processing	2,531	17	24,669	1,092	28,309	-	28,309	603
604		Marketing	6,972	164	1,254	2,082	10,472	-	10,472	604
605		Sales	1,863	17	16	470	2,366	-	2,366	605
606		Industrial development	-	-	-	-	-	N/A	-	606
607		Personnel and labor relations	2,069	21	105	447	2,642	-	2,642	607
608		Legal and secretarial	-	-	-	-	-	-	-	608
609		Public relations and advertising	161	21	948	279	1,409	-	1,409	609
610		Research and development	-	-	-	-	-	-	-	610
611		Fringe benefits	N/A	N/A	N/A	7,353	7,353	-	7,353	611
612		Casualties and insurance	N/A	N/A	N/A	32,982	32,982	-	32,982	612
613		Write-down of uncollectible accounts	N/A	N/A	N/A	28	28	-	28	613
614		Property taxes	N/A	N/A	N/A	39,616	39,616	-	39,616	614
615		Other taxes except on corporate income or payrolls	N/A	N/A	N/A	2,321	2,321	-	2,321	615
616		Joint facility - debit	N/A	N/A	N/A	N/A	2,038	-	2,038	616
617		Joint facility - (credit)	N/A	N/A	(1,247)	N/A	(1,247)	-	(1,247)	617
618		Other	6,286	56	74,823	11,860	93,025	-	93,025	618
619		TOTAL GENERAL AND ADMINISTRATIVE	30,913	1,182	112,640	105,366	250,101	-	250,101	619
620	*	TOTAL CARRIER OPERATING EXPENSES	462,919	398,414	306,296	475,337	1,642,966	-	1,642,966	620

412. WAY AND STRUCTURES

(Dollars in Thousands)

1 Report freight expenses only.

2 The total depreciation expense reported in column (b), line 29, should balance to the sum of the depreciation expense reported in schedule 410, column (f), lines 136, 137, and 138.

3 Report in column (c) the lease/rentals for the various property categories of Way and Structures. The total net lease/rental reported in column (c), line 29, should balance the net amount reported in schedule 410, column (f), lines 118 through 123, plus lines 130 through 135. If an entire road or segment of track is leased and if the actual breakdown of lease/rentals by property categories is not known, apportion the lease/rentals based on the percentage of the categories' depreciation bases for all categories of depreciable leased property. Use Schedule 352B of this report to obtain the depreciation bases of the categories of leased property.

4 Amortization adjustment of each road property type which is included in column (b) shall be repeated in column (d) as a debit or credit to the appropriate line item. The net adjustment on line 29 shall equal the adjustment reported on line 29 of schedule 335.

5 Report on line 28, all other lease rentals not apportioned to any category listed on lines 1 through 27.

6 Line 11, Account 16, should not include computer and data processing equipment reported on line 37 of schedule 415.

Line No	Cross Check	Property Account	Category (a)	Depreciation (b)	Lease/rentals (net) (c)	Amortization adjustment during year (d)	Line No
1		2	Land for transportation purposes	N/A	-	N/A	1
2		3	Grading	15,088	1,092	-	2
3		4	Other right-of-way expenditures	-	-	-	3
4		5	Tunnels and subways	209	139	-	4
5		6	Bridges, trestles, and culverts	20,281	1,361	-	5
6		7	Elevated structures	-	-	-	6
7		8	Ties	24,954	799	2,199	7
8		9	Rail and other track material	53,870	2,022	-	8
9		11	Ballast	18,400	596	980	9
10		13	Fences, snowsheds, and signs	11	2	-	10
11		16	Station and office buildings	2,059	93	-	11
12		17	Roadway buildings	488	21	-	12
13		18	Water stations	61	2	-	13
14		19	Fuel Stations	1,295	33	-	14
15		20	Shops and enginehouses	1,354	70	-	15
16		22	Storage warehouses	218	6	-	16
17		23	Wharves and docks	-	1	-	17
18		24	Coal and ore wharves	2,665	114	-	18
19		25	TOFC/COFC terminals	1,687	61	-	19
20		26	Communication systems	2,259	71	-	20
21		27	Signals and interlockers	6,778	225	-	21
22		29	Power plants	2	-	-	22
23		31	Power transmission systems	11	2	-	23
24		35	Miscellaneous structures	100	7	-	24
25		37	Roadway machines	2,213	59	-	25
26		39	Public improvements; construction	1,356	68	-	26
27		45	Power plant machines	4	1	-	27
28		-	Other lease/rentals	N/A	-	N/A	28
29	*	-	TOTAL	155,363	6,845	3,179	29

414. RENTS FOR INTERCHANGED FREIGHT TRAIN CARS AND OTHER FREIGHT CARRYING EQUIPMENT

(Dollars in Thousands)

1. Report freight expenses only
2. Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad owned or leased equipment and privately owned equipment (Reporting for leased equipment covers equipment with the carrier's own railroad markings)
3. The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f) lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f) lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (f). The balancing of Schedules 410, 414, and 415 "Other Equipment" is outlined in note 6 to Schedule 415.
4. Report in columns (b) and (c) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars.
5. Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Board in Ex Parte No. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.

NOTE: Mechanical designations for each car type are shown in Schedule 710

Line No	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE Per Diem Basis			GROSS AMOUNTS PAYABLE Per Diem Basis			Line No.
			Private Line Cars (b)	Mileage (c)	Time (d)	Private Line Cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box - Plain 40 Foot	-	-	-	-	-	-	1
2		Box - Plain 50 Foot and Longer	-	6	23	810	286	906	2
3		Box - Equipped	-	6,151	20,805	1,558	7,310	23,647	3
4		Gondola - Plain	-	179	511	264	260	653	4
5		Gondola - Equipped	-	3,806	9,042	-	2,100	5,987	5
6		Hopper - Covered	-	5,347	14,098	-	3,978	10,966	6
7		Hopper - Open Top - General service	-	489	1,729	-	226	1,578	7
8		Hopper - Open Top - Special service	-	52	234	-	228	578	8
9		Refrigerator - Mechanical	-	-	-	-	90	508	9
10		Refrigerator - Nonmechanical	-	2	11	-	41	157	10
11		Flat - TOFC/COFC	-	-	-	6,710	162	638	11
12		Flat - Multi-Level	-	880	2,130	21,229	140	(8,823)	12
13		Flat - General Service	-	-	-	9	8	14	13
14		Flat - Other	-	3,860	11,381	3,016	2,095	6,804	14
15		Tank - Under 22,000 Gallons	-	32	53	2,706	(5)	1	15
16		Tank - 22,000 Gallons And Over	-	-	-	5	-	-	16
17		All Other Freight Cars	-	16	130	50	42	197	17
18		Auto Racks	-	-	4,271	-	-	-	18
19		TOTAL FREIGHT TRAIN CARS	-	20,820	64,418	36,357	16,961	43,811	19
OTHER FREIGHT CARRYING EQUIPMENT									
20		Refrigerated Trailers	-	-	-	-	-	-	20
21		Other Trailers	-	-	-	-	-	-	21
22		Refrigerated Containers	-	-	-	-	-	-	22
23		Other Containers	-	-	-	-	-	51	23
24	*	TOTAL TRAILERS AND CONTAINERS	-	-	-	-	-	51	24
25		GRAND TOTAL (Lines 19 and 24)	-	20,820	64,418	36,357	16,961	43,862	25

NOTES AND REMARKS

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GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 415

- 1 Report freight expenses only
- 2 Report by type of equipment all natural expenses relating to the equipment functions (salaries and wages, materials, tools, supplies, fuels and lubricants, purchased services and general)
- 3 Report in column (b) net repair expense, excluding the cost to repair damaged equipment
Schedule 415, column (b), will balance to Schedule 410, column (f), as follows
 - (a) Locomotives, line 5 plus line 38 compared to the sum of Schedule 410, lines 202, 203 and 216 (excluding wreck repairs) Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 204
 - (b) Freight Cars, line 24 plus line 39 compared to the sum of Schedule 410, lines 221, 222 and 235 (excluding wreck repairs) Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 223
 - (c) Sum of highway equipment (line 32), floating equipment (line 35), passenger and other revenue equipment (line 36), computer and data processing equipment (line 37), machinery-other equipment (line 40), plus work and other non-revenue equipment (line 41) compared to Schedule 410, the sum of lines 302 through 307, inclusive, plus line 320 (excluding wreck repairs). Do not report in Schedule 415, equipment damaged from Schedule 410, line 308

Note Lines 216, 235 and 320 of Schedule 410 are credit amounts

The allocation of freight car repair expense reportable on Schedule 415 by car types shall be in accordance with Instruction 2-21, Freight train repair costing, 49 CFR 1201
- 4 Depreciation expense for each class of equipment by car type shall be reported in columns (c) and (d) For improvements on leased property, Accounts 732 and 733, use a supplementary Schedule 415, which will relate to Schedules 340 and 342
Depreciation charges reported in columns (c) and (d) will balance to Schedule 410, column (f), as Follows.
 - (a) Locomotives, line 5 and 38, compared to Schedule 410, line 213
 - (b) Freight cars, line 24 and 39, compared to schedule 410, line 232.
 - (c) Sum of highway equipment (line 32), floating equipment (line 35), passenger and other revenue equipment (line 36), computer and data processing equipment (line 37), machinery-other equipment (line 40), and work and other non-revenue equipment (line 41) compared to Schedule 410, line 317.
- 5 Amortization adjustment of each equipment type which is included in column (c) shall be reported in column (e) as a debit or credit to the appropriate line item. The net adjustment on line 43 shall equal the equipment amortization adjustment applicable to equipment used in freight service included in line 39, column (c), of Schedule 335
- 6 Lease/rentals reported in column (f) should balance to column (f) of Schedule 410 as follows.
 - (a) Locomotives, line 5 and 38, compared to Schedule 410, lines 207, 208, 211 and 212.
 - (b) Freight cars, line 24 and 39, compared to Schedule 410, lines 226 and 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 414, and are not included in Schedule 415).
 - (c) Sum of lease/rentals for all other equipment, lines 32, 35, 36, 37, 40 and 41, will balance to Schedule 410, lines 311, 312, 315 and 316, except for the interchange rental on trailers and containers which is reported in Schedule 414 Therefore, both Schedules 414 and 415 should be used when balancing lease/rentals other equipment to Schedule 410 Do not report in Schedule 415, the trailer and container rentals reported in Schedule 414
- 7 Investment base by types of equipment shall be reported in columns (g) and (h) and should not include the cost of equipment used but not owned when rents therefore are included in the rent for equipment and Account Nos 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00 and 35-23-00. It should include the cost of equipment owned and leased to others when the rents are included in the rent for Equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00, and 36-23-00.
Property used but not owned should also be included when the rent is included in Account Nos 31-12-00, 31-13-00, 31-21-00, 31-22-00 and 31-23-00, inclusive.
The grand total of each equipment account in column (h) of Schedule 330 should equal the totals of line items constituting the equipment account totals of columns (g) and (h) of Schedule 415
8. Accumulated depreciation for each class of equipment shall be reported in columns (i) and (j) The grand total of each equipment reserve account in column (g), Schedule 335, shall equal the combined aggregate total accumulated depreciation for line items constituting the corresponding equipment accounts reported in columns (i) and (j), on Schedule 415

415. SUPPORTING SCHEDULE - EQUIPMENT

(Dollars in Thousands)

Line No	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization Adjustment net during year (e)	Line No
				Owned (c)	Capitalized lease (d)		
		LOCOMOTIVES					
1		Diesel Locomotives-Yard	4,870	563	100		1
2		Diesel Locomotives-Road	50,288	9,184	1,639	-	2
3		Other Locomotive-Yard	-	-	-	-	3
4		Other Locomotive-Road	-	-	-	-	4
5	*	TOTAL LOCOMOTIVES	55,158	9,747	1,739	-	5
		FREIGHT TRAIN CARS					
6		Box-Plain 40 Foot	-	-	-	-	6
7		Box-Plain 50 Foot and Longer	10	864	168	-	7
8		Box-Equipped	11,593	3,885	753	-	8
9		Gondola-Plain	239	71	14	-	9
10		Gondola-Equipped	3,691	2,732	530	-	10
11		Hopper-Covered	6,694	1,848	358	-	11
12		Hopper-Open Top-General Service	2,520	2,412	468	-	12
13		Hopper-Open Top-Special Service	3,458	568	110	-	13
14		Refrigerator-Mechanical	-	-	-	-	14
15		Refrigerator-Nonmechanical	5	157	30	-	15
16		Flat TOFC/COFC	174	-	-	-	16
17		Flat Multi-level	1,092	1,683	327	-	17
18		Flat-General Service	11	-	-	-	18
19		Flat-Other	5,227	916	178	-	19
20		All Other Freight Cars	975	90	18	-	20
21		Cabooses	-	3	1	-	21
22		Auto Racks	-	827	160	-	22
23		Miscellaneous Accessories	-	(8)	(1)	-	23
24	*	TOTAL FREIGHT TRAIN CARS	35,689	16,048	3,114	-	24
		OTHER EQUIPMENT-REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers	-	-	-	-	25
26		Other Trailers	1,844	-	-	-	26
27		Refrigerated Containers	-	-	-	-	27
28		Other Containers	-	-	-	-	28
29		Bogies	-	-	-	-	29
30		Chassis	445	-	-	-	30
31		Other Highway Equipment (Freight)	128	745	-	-	31
32	*	TOTAL HIGHWAY EQUIPMENT	2,417	745	-	-	32
		FLOATING EQUIPMENT-REVENUE SERVICE					
33		Marine Line-Haul	2,671	17	-	-	33
34		Local Marine	-	-	-	-	34
35	*	TOTAL FLOATING EQUIPMENT	2,671	17	-	-	35
		OTHER EQUIPMENT					
36	*	Passenger & Other Revenue Equipment (Freight Portion)	245	13	-	-	36
37	*	Computer Systems & Word Processing Equip.	-	2,734	-	-	37
38	*	Machinery - Locomotives (1)	1	-	-	-	38
39	*	Machinery - Freight Cars (2)	134	-	-	-	39
40	*	Machinery - Other Equipment (3)	101	461	-	-	40
41	*	Work and Other Nonrevenue Equipment	5,943	2,028	107	-	41
42		TOTAL OTHER EQUIPMENT	6,424	5,236	107	-	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	102,359	31,793	4,960	-	43

- (1) Data to be reported on line 38, column (b) is the amount reported in Sched. 410, column (f), line 203, reduced by the allocable portion of line 216.
- (2) Data to be reported on line 39, column (b) is the amount reported in Sched. 410, column (f), line 222, reduced by the allocable portion of line 235
- (3) Data to be reported on line 40, column (b) is the amount reported in Sched. 410, column (f), lines 302 through 306, reduced by the allocable portion of line 320

415. SUPPORTING SCHEDULE - EQUIPMENT - (Continued)

Line No	Cross Check	Lease & rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1		-	11,882	2,120	4,418	788	1
2		6,734	309,266	55,195	65,230	11,641	2
3		-	-	-	-	-	3
4		-	-	-	-	-	4
5		6,734	321,148	57,315	69,648	12,429	5
6		-	-	-	-	-	6
7		6,018	23,336	4,526 00	613	119	7
8		14,771	148,944	28,891	(20,778)	(4,030)	8
9		-	3,444	668	3,072	596	9
10		1,541	97,917	18,993	16,283	3,158	10
11		12,628	89,790	17,416	56,117	10,885	11
12		698	86,080	16,697	(14,464)	(2,805)	12
13		726	15,803	3,065	1,348	262	13
14		-	-	-	-	-	14
15		-	5,967	1,157	2,845	552	15
16		-	-	-	-	-	16
17		-	30,771	5,969	1,994	387	17
18		-	-	-	-	-	18
19		8,749	26,520	5,144	(2,436)	(472)	19
20		-	3,214	624	3,895	756	20
21		-	807	157	518	101	21
22		544	32,510	6,306	16,755	3,250	22
23		-	260	50	402	78	23
24		45,675	565,363	109,663	66,164	12,837	24
25		-	-	-	-	-	25
26		552	-	-	-	-	26
27		-	-	-	-	-	27
28		-	761	-	-	-	28
29		-	-	-	-	-	29
30		-	126	-	313	-	30
31		3,142	3,407	-	2,518	-	31
32		3,694	4,294	-	2,831	-	32
33		-	1,202	-	915	-	33
34		-	-	-	-	-	34
35		-	1,202	-	915	-	35
36		2,472	447	-	77	-	36
37		-	23,683	-	6,609	-	37
38		-	-	-	-	-	38
39		-	-	-	-	-	39
40		-	29,486	-	11,521	-	40
41		161	57,026	854	19,734	322	41
42		161	110,195	854	37,864	322	42
43		56,264	1,002,202	167,832	177,422	25,588	43

(1) Data to be reported on lines 38, 39 and 40 in columns (g) and (h) are the investment recorded in property account 44, allocated to locomotives, freight cars, and other equipment.

(2) Depreciation to be reported on lines 38, 39 and 40 in column (c) is calculated by multiplying the investment in each element by the effective composite rate for property account 44, and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (c), Schedule 335.

416. SUPPORTING SCHEDULE - ROAD

(Dollars in Thousands)

Line No	Density Category (Class)	Account No	Owned and Used			Improvements to Leased Property			Capitalized Leases			Total	
			Investment base (c)	Accumulated depreciation (d)	Depr Rate % (e)	Investment Base (f)	Accumulated Depreciation (g)	Depr Rate % (h)	Investment Base (i)	Current Year Amortization (j)	Accumulated Amortization (k)	Investment Base (l)	Accumulated Depreciation & Amortization (m)
1	I	3	475,347	53,160	0.93	-	-	-	-	-	-	475,347	53,160
2	(20+ MGTMs/mi)	8	318,233	30,883	2.63	-	-	-	-	-	-	318,233	30,883
3		9	791,640	95,189	2.56	-	-	-	-	-	-	791,640	95,189
4		11	239,865	60,793	2.10	-	-	-	-	-	-	239,865	60,793
5	SUB-TOTAL		1,825,085	240,025		-	-	-	-	-	-	1,825,085	240,025
6	II	3	706,628	79,024	0.93	-	-	-	-	-	-	706,628	79,024
7	(<20 MGTMs/mi)	8	473,070	45,910	2.41	-	-	-	-	-	-	473,070	45,910
8		9	1,176,814	141,503	2.31	-	-	-	-	-	-	1,176,814	141,503
9		11	356,572	90,372	1.99	-	-	-	-	-	-	356,572	90,372
10	SUB-TOTAL		2,713,084	356,809		-	-	-	-	-	-	2,713,084	356,809
11	III	3	-	-	-	-	-	-	-	-	-	-	-
12	(Abund candidates)	8	-	-	-	-	-	-	-	-	-	-	-
13		9	-	-	-	-	-	-	-	-	-	-	-
14		11	-	-	-	-	-	-	-	-	-	-	-
15	SUB-TOTAL		-	-	-	-	-	-	-	-	-	-	-
16	IV	3	30,923	9,866	0.93	-	-	-	-	-	-	30,923	9,866
17	(Yds & Sw trks)	8	95,820	30,908	1.91	-	-	-	-	-	-	95,820	30,908
18		9	277,812	102,013	1.92	-	-	-	-	-	-	277,812	102,013
19		11	65,904	20,103	1.78	-	-	-	-	-	-	65,904	20,103
20	SUB-TOTAL		470,459	162,890		-	-	-	-	-	-	470,459	162,890
21	V	3	-	-	-	-	-	-	-	-	-	-	-
22	(Electronic yds)	8	-	-	-	-	-	-	-	-	-	-	-
23		9	-	-	-	-	-	-	-	-	-	-	-
24		11	-	-	-	-	-	-	-	-	-	-	-
25	SUB-TOTAL		-	-	-	-	-	-	-	-	-	-	-
26	GRAND TOTAL		5,008,628	759,724	N/A	-	-	N/A	-	-	-	5,008,628	759,724

Notes.

(1) Columns (c) + (f) + (i) = Column (l)

Columns (d) + (g) + (k) = Column (m)

(2) The base grand total for owned and used, improvements to leased property and capitalized leases should equal the sum of Accounts 3, 8, 9 and 11 shown at year end on Schedule 330.

NOTES AND REMARKS

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417. SPECIALIZED SERVICE SUBSCHEDULE - TRANSPORTATION

(Dollars in Thousands)

1. Report freight expenses only.
2. Report in lines 1, 2, 3, 4, and 10 the total of those natural expenses (salaries and wages, material, tools, supplies, fuels and lubricants, purchased services, and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities.
3. When it is necessary to apportion expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410, Railway Operating Expenses.
4. Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery, or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See Schedule 755, note R.
5. The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c) line 3.
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expenses incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers, or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves.
7. Report on line 4, column (h), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h), relate to refrigerator cars only.
8. Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, grain elevator terminal operations, and livestock feeding operations only.

Line No.	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load & distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b) - (i) (j)	Line No.
1	*	Administration	3,590	-	3	70	1	-	-	-	3,664	1
2	*	Pick up and delivery, marine line haul	5,615	-	2,327	6,485	426	-	-	6,764	21,617	2
3	*	Loading and unloading and local marine	3,768	-	-	-	-	-	-	-	3,768	3
4	*	Protective services - total debits and credits	-	-	-	-	-	-	-	-	-	4
5	*	Freight lost or damaged - solely related	-	-	-	-	-	-	-	-	-	5
6	*	Fringe benefits	2,666	-	896	683	164	-	-	-	4,409	6
7	*	Casualty and insurance	-	-	-	-	-	-	-	-	-	7
8	*	Joint facility - debit	-	-	-	-	-	-	-	-	-	8
9	*	Joint facility - credit	-	-	-	-	-	-	-	-	-	9
10	*	Other	1,837	-	-	-	-	-	-	-	1,837	10
11	*	TOTAL	17,476	-	3,226	7,238	591	-	-	6,764	35,295	11

(Dollars in Thousands)

This schedule will show the investment in capitalized leases in road and equipment by primary account

(e) = the accumulated amortization relating to the leased properties

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NOTES AND REMARKS

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450. ANALYSIS OF TAXES

(Dollars in thousands)

A. Railway Taxes

Line No	Cross Check	Kind of Tax	Amount	Line No
1		Other than U.S. Government Taxes	86,824	1
		U S Government Taxes		
		Income Taxes		
2		Normal Tax & Surtax	95,773	2
3		Excess Profits	-	3
4	*	Total - Income Taxes (Ln 2 + 3)	95,773	4
5		Railroad Retirement	85,073	5
6		Hospital Insurance	8,393	6
7		Supplemental Annuities	-	7
8		Unemployment Insurance	4,571	8
9		All Other United States Taxes	43,922	9
10		Total - U S. Government Taxes	237,732	10
11		Total - Railway Taxes	324,556	11

B. Adjustments to Federal Income Taxes

- In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption "Other (Specify)," including state and other taxes deferred if computed separately. Minor items, each less than \$100,000, may be combined in a single entry under "Other (Specify)."
- Indicate in column (b) the beginning of year totals of Accounts 714, 744, 762 and 786 applicable to each particular item in column (a).
- Indicate in column (c) the net changes in Accounts 714, 744, 762 and 786 for the net tax effect of timing differences originating and reversing in the current accounting period.
- Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or reinstate deferred tax effects (credits or debits) due to applying or recognizing a loss carry-forward or loss carry-back.
- The total of line 19 in columns (c) and (d) should agree with the total of the contra charges (credits) to Account 557, Provision for Deferred Taxes, and Account 591, Provision for Deferred Taxes - Extraordinary Items, for the current year.
- Indicate in column (e) the cumulative total of columns (b), (c) and (d). The total of column (e) must agree with the total of Accounts 714, 744, 762, and 786.

Line No.	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments ⁽¹⁾ (d)	End of year balance (e)	Line No
1	Accelerated depreciation, Sec. 167 IRC Guideline lives pursuant to Rev. Proc. 62-21.					1
2	Accelerated amortization of facilities, Sec. 168 IRC					2
3	Accelerated amortization of rolling stock, Sec. 184 IRC					3
4	Amortization of rights of way, Sec. 185 IRC					4
5						5
6	Other (Specify)					6
7	Property depreciation & basis difference	2,842,417	69,197	531	2,912,145	7
8	Reserve for workforce reduction	(1,049)	5	-	(1,044)	8
9	Postretirement benefits	(44,360)	(7,437)	(19,275)	(71,072)	9
10	Claims, accruals & other reserves	(131,567)	(2,914)	-	(134,481)	10
11	Loss & Credit Carryforwards	(7,800)	(2,787)	-	(10,587)	11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	2,657,641	56,064	(18,744)	2,694,961	19

(1) Relates mainly to adjustments on tax provision pursuant to FIN 48 and Other comprehensive income

450. ANALYSIS OF TAXES
(Dollars in thousands)

***Footnotes:**

1. If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit	N/A
If deferral method for investment tax credit was elected:	
(1) Indicate amount of credit utilized as a reduction of tax liability for current year	
(2) Deduct amount of current year's credit applied to a reduction of tax liability but deferred for accounting purposes	
(3) Balance of current year's credit used to reduce current year's tax accrual	
(4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual	
(5) Total decrease in current year's tax accrual resulting from use of investment tax credits	
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made	N/A

460. ITEMS IN SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS FOR THE YEAR

(Dollars in Thousands)

Give a brief description of all items, regardless of amount, included during the year in Account 555, Unusual or Infrequent Items, 560, Income or Loss from Operations or Discontinued Segments, 562, Gain or Loss on Disposal of Discontinued Segments, 570, Extraordinary Items; 590, Income Taxes on Extraordinary Items; 592, Cumulative Effect of Changes in Accounting Principles; 603, Appropriation Released, 606, Other Credits to Retained Earnings, 616, Other Debits to Retained Earnings, 620, Appropriations for Sinking and Other Funds, and 621, Appropriations for Other Purposes. If appropriations released reflect appropriations provided during the year, each account should not be reported.

For Accounts 519, Miscellaneous Income, and 551, Miscellaneous Income Charges, if the total in either account exceeds 10% of net income before extraordinary items, describe the three largest items in the account and any other items in excess of 10% of net income.

Line No	Account No (a)	Item (b)	Debits (c)	Credits (d)	Line No.
1					1
2	616	Other comprehensive income.			2
3		Foreign exchange on translation of affiliated company's equity whose functional currency is the Canadian dollar	4,320		3
4		Pension and other postretirement benefit plans	31,550		4
5					5
6	620	Appropriations for sinking and other funds Gulf Mobile and Ohio Income Debenture	48		6
7					7
8					8
9					9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

501. GUARANTIES AND SURETYSHIPS

(Dollars in thousands)

1 If the respondent was under obligation as guarantor or surety for the performance by any other corporation or other association of any agreement or obligation, show the particulars of each contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year. This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after the date of issue. Items of less than \$50,000 may be shown as one total.

Line No	Names of all parties principally and primarily liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No
1					1
2	Canadian National Railway Company	5 Year Revolving Credit Facility	US \$ 1,000,000	Joint	2
3	Grand Trunk Corporation (GTC)	expiring in 2011			3
4	Grand Trunk Western Railroad Co. (GTW)				4
5	Illinois Central Railroad Co. (ICRR)				5
6	Wisconsin Central Ltd. (WCL)				6
7					7
8					8
9					9
10	Terminal RR Assn of St. Louis (Note 1)	Refunding & Improvement mortgage			10
11		Bonds Series "C"	US \$7.787	Joint	11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29	Note 1: Terminal Railroad Association of St. Louis Mortgage Bonds are fully funded by TRRA through a sinking fund established				29
30	with a balance in the amount of approximately \$17.1 million as of December 31, 2008. This fund covers future interest and				30
31	principal payments through the remainder of the bonds term				31
32					32
33					33
34					34
35					35
36					36
37					37
38					38

2. If any corporation or other association was under obligation as guarantor or surety for the performance by the respondent of any agreement or obligation, show particulars called for hereunder for each such contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year. This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than two years after the date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings.

Line No.	Finance docket number, title, maturity date and concise description of agreement or obligation (a)	Names of all guarantors and sureties (b)	Amount of contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No
1					1
2	Uncommitted credit lines	Canadian National Railway Company	CA \$ 55,000	Sole	2
3					3
4					4
5					5
6					6
7					7
8					8
9					9

502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

(Dollars in thousands)

Using the following notes as a guideline, show the requirements compensating balances and short-term borrowing arrangements. Footnote disclosure is required even the arrangement is not reduced to writing.

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings that are outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances included in Account 703, Special Deposits and in Account 717, Other Funds, should also be separately disclosed below.
5. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15% or more of liquid assets (current cash balances, restricted and unrestricted, plus marketable securities).
6. When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed, along with stated and possible sanctions, whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

GTC, GTW, ICRR and WCL have access to \$185 million of the credit facility discussed in schedule 501.

The maximum amount of outstanding borrowings during 2008 was nil.

At December 31, 2008, there was no outstanding borrowings on the credit facility.

The Companies do not have any compensating balances.

NOTES AND REMARKS

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510. SEPARATION OF DEBTHOLDINGS BETWEEN ROAD PROPERTY AND EQUIPMENT

(Dollars in Thousands)

The principal use of this schedule is to determine the average rate of debt capital

I. Debt Outstanding at End of Year

Line No.	Account No (a)	Title (b)	Source (c)	Balance Close of Year (d)	Line No.
1	751	Loans and notes payable	Sch 200, Line 30	-	1
2	764	Equipment obligations and other long-term debt due within one year	Sch 200, Line 39	30,284	2
3	765/767	Funded debt unmatured	Sch 200, Line 41	135,410	3
4	766	Equipment obligations	Sch 200, Line 42	-	4
5	766 5	Capitalized lease obligations	Sch 200, Line 43	103,510	5
6	768	Debt in default	Sch 200, Line 44	-	6
7	769	Accounts payable - affiliated companies	Sch 200, Line 45	3,692,604	7
8	770 1/770.2	Unamortized debt premium	Sch 200, Line 46	(4,779)	8
9		Total debt	Sum of Lines 1 through 8	3,957,029	9
10		Debt directly related to road property	Note 1	-	10
11		Debt directly related to equipment	Note 1	132,648	11
12		Total debt related to road and equipment	Lines 10 and 11	132,648	12
13		Percent directly related to road	Line 10 / Line 12 Whole % + 2 decimals	-	13
14		Percent directly related to equipment	Line 11 / Line 12 Whole % + 2 decimals	100.00%	14
15		Debt not directly related to road and equipment	Line 9 - Line 12	3,824,381	15
16		Road property debt (Note 2)	(Line 13 x Line 15) + Line 10	-	16
17		Equipment debt (Note 2)	(Line 14 x Line 15) + Line 11	3,957,029	17

II. Interest Accrued During the Year

Line No.	Account No (a)	Title (b)	Source (c)	Balance Close of Year (d)	Line No.
18	546-548	Total interest and amortization (fixed charges)	Sch 210, Line 42	245,360	18
19	546	Contingent interest on funded debt	Sch 210, Line 44	-	19
20	517	Release of premium on funded debt	Sch 210, Line 22	-	20
21		Total interest (Note 3)	(Line 18 + Line 19) - Line 20	245,360	21
22		Interest directly related to road property debt	Note 4	-	22
23		Interest directly related to equipment debt	Note 4	5,568	23
24		Interest not directly related to road or equipment property debt	Line 21 - (Lines 22 + 23)	239,792	24
25		Interest on road property debt (Note 5)	Line 22 + (Line 24 x Line 13)	-	25
26		Interest on equipment debt (Note 5)	Line 23 + (Line 24 x Line 14)	245,360	26
27		Embedded rate of debt capital - road property	Line 25 / Line 16	-	27
28		Embedded rate of debt capital - equipment	Line 26 / Line 17	6.20%	28

Note 1: Directly related means the purpose which the funds were used for when the debt was issued

Note 2: Line 16 plus Line 17 must equal Line 9.

Note 3: Line 21 includes interest on debt in Account 769 - Accounts Payable; Affiliated Companies.

Note 4: This interest relates to debt reported on Lines 10 and 11, respectively.

Note 5: Line 25 plus Line 26 must equal Line 21.

NOTES AND REMARKS

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INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

1. Furnish the information called for below between the respondent and the affiliated companies or persons affiliated with the respondent, including officers, directors, stockholders, owners, partners or their wives and other close relatives, or their agents. Examples of transactions are, but are not restricted to, management, legal, accounting, purchasing or other type of service including the furnishing of materials, supplies, purchase of equipment, leasing of structures, land and equipment, and agreements relating to allocation of officers' salaries and other common costs between affiliated companies.

To be excluded are payments for the following types of services:

- (a) Lawful tariff charges for transportation services.
- (b) Payments to or from other carriers for interline services and interchange of equipment.
- (c) Payment to or from other carriers which may reasonably be regarded as ordinarily connected with routine operation or maintenance, but any special or unusual transactions should be reported.
- (d) Payments to public utility companies for rates or charges fixed in conformity with government authority.

2. In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating \$50,000 or more for the year. If an affiliated company provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, list all the affiliates included in the agreement and describe the allocation of the charges. If the respondent provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, reference to this fact should be made and the detail as to the allocation of charges should be stated. For those affiliates providing services to the respondent, also enter in column (a) the percent of affiliate's gross income derived from transactions with the respondent.

The respondent may be required to furnish as an attachment to Schedule 512 a balance sheet and income statement for each affiliate with which respondent carrier had reportable transactions during the year, or alternatively, attach a "Pro forma" balance sheet and income statement for that portion or entity of each affiliate which furnished the agreed to services, equipment, or other reportable transaction. The statements, if required, should be prepared on a calendar year basis in conformity with the prescribed schedules for the balance sheet and income statement in Annual Report Form R-1, and should be noted (1) to indicate the method used for depreciating equipment or other property furnished to the carrier, and (2) whether the affiliate's Federal income tax return for the year was filed on a consolidated basis with the respondent carrier.

3. In column (b) indicate nature of relationship or control between the respondent and the company or person identified in column (a) as follows:

- (a) If respondent directly controls affiliate, insert word "direct"
- (b) If respondent controls through another company, insert the word "indirect"
- (c) If respondent is under common control with affiliate, insert the word "common"
- (d) If respondent is controlled directly or indirectly by the company listed in column (a), insert the word "controlled"
- (e) If control is exercised by other means such as a management contract or other arrangement of whatever kind, insert the word "other" and footnote to describe such arrangements

4. In column (c) fully describe the transactions involved such as management fees, lease of building, purchase of material, etc. When the affiliate listed in column (a) provides more than one type of service in column (c), list each type of service separately and show total for the affiliate. When services are both provided and received between the respondent and an affiliate they should be listed separately and the amounts shown separately in column (c).

5. In column (d) report the dollar amounts of the transaction shown and the effect of any change in the method of establishing the terms from that used in the preceding period.

6. In column (e) report the dollar amounts due from or to related parties and, if not otherwise apparent, the terms and manner of settlement. Insert (P) paid or (R) received by the amount in column (e).

512. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED

(Dollars in Thousands)

Line No	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (d)	Amount due from or to related parties (e)	Line No
1							1
2							2
3	Parent Company		Controlled			414,006	R 3
4				Interest expense on long-term debt	66,183	1,035,714	P 4
5				Management fees	73,563	See above	5
6							6
7	Affiliated companies		Direct			104,991	P 7
8							8
9	Affiliated companies (Wholly-owned by Parent Company)		Common			678	R 9
10						61	P 10
11				Interest expense on long-term debt	161,944	2,658,000	P 11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

State particulars of all tracks operated by the respondent at the close of the year, according to the following classification:

- (1) Line owned by respondent
- (2) Line owned by proprietary companies
- (3) Line operated under lease for a specified sum, lessor being (A) an affiliated corporation, or (B) independent or not affiliated with respondent.
- (4) Line operated under contract or agreement for contingent rent, owner being (A) an affiliated corporation, or (B) independent or not affiliated with the respondent.
- (5) Line operated under trackage rights

Give subtotals for each of the several numbered classes, in the order listed above, as well as the total for all classes.

Lengths of track should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e., counting one-half mile or over as a whole mile and disregarding any fraction less than one-half mile.

In column (a) insert the figure (and letter, if any) indicating its class in accordance with the above list of classifications.

In column (b) give the various proportions of each class owned or leased by respondent, listing each proportion once in any grouping. Canadian mileage should be segregated and identified on separate lines in the various groupings. For each listing, in Column (d) give its entire length (the distances between terminals of single or first main track), and in the following columns the lengths of second main track; all other main tracks, passing tracks, cross-overs and turn-outs; way switching tracks; and yard switching tracks. These classes of tracks are defined as follows:

RUNNING TRACKS: Running tracks, passing tracks, cross-overs, etc., including turn-outs from those tracks to clearance points.

WAY SWITCHING TRACKS Station, team, industry and other switching tracks for which no separate service is maintained.

YARD SWITCHING TRACKS: Yard where separate switching services are maintained, including classification, house, team, industry and other tracks switched by yard locomotives.

The returns in columns (h) and (i) should include tracks serving industries, such as mines, mills, smelters, factories, etc. Tracks belonging to an industry for which no rent is payable should not be included.

Tracks leading to and in gravel and sand pits and quarries, the cost of which is chargeable to a clearing account and which are used in getting out material for the respondent's use, should not be included.

Class (1) includes all lines operated by the respondent at the close of the year to which it has title in perpetuity.

Class (2) includes each line, full title to which is in an inactive proprietary corporation of the respondent (i.e. one all of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation without any accounting to the said proprietary corporation). It may also include such line when the actual title to all of the outstanding stocks or obligations rests in a corporation controlled by or controlling the respondent. But in the case of any such inclusion, the facts of the relationship to the respondent of the corporation holding the securities should be fully set forth in a footnote. An inactive corporation is one which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs. If it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

Class (3) includes all tracks operated under a lease or formal conveyance of less than the grantor's interest in the property, with a specific and unconditional rent reserved. The fact that the lessor does or does not maintain an independent organization for financial purposes is immaterial in this connection.

Class (4) is the same as class (3), except that the rent reserved is conditional upon earnings or other fact.

Class (5) includes all tracks operated and maintained by others, but over which the respondent has the right to operate some or all of its trains. In the road of this class the respondent has no proprietary rights, but only the rights of a licensee. Include in this class, also, on main tracks, industrial tracks and sidings owned by noncarrier companies and individuals when the respondent operates over them but does not have exclusive possession of them.

Road held by the respondent as joint or common owner or a joint lessee or under any joint arrangement should be shown in its appropriate class and the entry of length should be the entire length of the portion jointly held. The class symbol should have the letter (j) attached.

Road operated by the respondent as agent for another carrier should not be included in this schedule.

700. MILEAGE OPERATED AT CLOSE OF YEAR

Line No.	Class	Proportion owned or leased by respondent	Running tracks, passing tracks, crossovers, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, and turnouts (f)				
1										1
2	1	100%	6,269	588	18	598	806	1,826	10,105	2
3										3
4	1J	50%	1			8	25	47	81	4
5										5
6	3B	LEASED	12				1		13	6
7										7
8	5	TRACKAGE RIGHTS	456	7	62	44	300	229	1,098	8
9										9
10										10
11										11
12										12
13										13
14										14
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51										51
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53										53
54										54
55										55
56										56
57		TOTAL	6,738	595	80	650	1,132	2,102	11,297	57
58		Miles of electrified road or track included in preceding grand total	N/A							58

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's proportion of operated road held by it as joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d), or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned, not operated, should be shown in column (h), as may be appropriate. Mileage which has been permanently abandoned should not be included in column (h). Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings, i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or territory	MILES OF ROAD OPERATED BY RESPONDENT							Line owned but operated by respondent	New line constructed during year	Line No.
			(a)	(b)	(c)	(d)	(e)	(f)	(g)			
1												1
2		ALABAMA		41					41			2
3												3
4		ILLINOIS		1,245	1	1		271	1,518			4
5												5
6		INDIANA		81					81			6
7												7
8		IOWA		605					605			8
9												9
10		KENTUCKY		89				18	107			10
11												11
12		LOUISIANA		259				4	263			12
13												13
14		PENNSYLVANIA		155					155			14
15												15
16		MICHIGAN		942		11		63	1,016			16
17												17
18		MINNESOTA		383				52	435			18
19												19
20		MISSISSIPPI		847				4	851			20
21												21
22		OHIO		7					7			22
23												23
24		TENNESSEE		145					145			24
25												25
26		WISCONSIN		1,470				44	1,514			26
27												27
28												28
29												29
30												30
31												31
32		TOTAL MILEAGE (single track)		6,269	1	12		456	6,738			32

NOTES AND REMARKS

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INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year
2. In column (c) give the number of units purchased new or built in company shops. In column (d) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (l). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.

5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "diesel" unit includes all units propelled by diesel internal combustion engines regardless of final drive or whether power may at times be supplied from an external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "electric" unit includes all units which receive electric power from an overhead contact wire or a third rail, and use the power to drive one or more electric motors that propel the vehicle. An "other self-powered unit" includes all units other than diesel, or electric, e.g., gas turbine, steam. Show type of unit, service and number, as appropriate, in a brief description sufficient for positive identification. An "auxiliary unit" includes all units used in conjunction with locomotives, but which draw their power from the "mother" unit, e.g.,

boosters, slugs, etc. For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate. Radio-controlled units that are not self-powered, i.e., those without a diesel, should be reported on line 13 under "auxiliary units".

7. Column (k) should show aggregate capacity for all units reported in column (j), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes). Exclude capacity data for steam locomotives. For passenger-train cars, report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.

8. Passenger-train car types and service equipment car types correspond to AAR Mechanical Division designations. Descriptions of car codes and designations are published in The Official Railway Equipment Register.

9. Cross-checks

Schedule 710	Schedule 710
Line 5, column (j)	= Line 11, column (l)
Line 6, column (j)	= Line 12, column (l)
Line 7, column (j)	= Line 13, column (l)
Line 8, column (j)	= Line 14, column (l)
Line 9, column (j)	= Line 15, column (l)
Line 10, column (j)	= Line 16, column (l)

When data appear in column (j) lines 1 thru 8, column (k) should have data on same lines.

When data appear in columns (k) or (l) lines 36 thru 53, and 55, column (m) should have data on same lines.

710. INVENTORY OF EQUIPMENT UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS														
Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service whether owned or leased, including reclassification (g)	Units at Close of Year				Line No	
				Units installed			Owned and used (h)		Leased from others (i)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col. (j) (see ins 7) (k)	Leased to others (l)		
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)								All other units including reclassification and second hand units purchased or leased from others (f)
1		Locomotive Units	310					44	150	116	266	888,000 (HP)	1	
2		Diesel-freight	4						4		4	9,600	2	
3		Diesel-passenger	186					11	147	28	175	344,200	3	
4		Diesel-multiple purpose	37						11	27	38	51,600	4	
5	*	Diesel-switching	537					55	312	171	483	1,293,400	5	
6	*	TOTAL (lines 1 to 4)											6	
7	*	Electric locomotives											7	
8	*	Other self-powered units											8	
9	*	TOTAL (lines 5,6 and 7)	537					55	312	171	483	1,293,400	9	
10	*	Auxiliary units										N/A	10	
		TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	537					55	312	171	483	N/A		
DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR BUILT, DISREGARDING YEAR OF REBUILDING														
Line No	Cross Check	Type or design of units (a)	Before Jan 1, 1985 (b)	Between				2005 (g)	During Calendar Year				Line No	
				Jan. 1, 1985 and Dec. 31, 1989 (c)	Jan 1, 1990 and Dec. 31, 1994 (d)	Jan. 1, 1995 and Dec. 31, 1999 (e)	Between Jan. 1, 2000 and Dec. 31, 2004 (f)		2006 (h)	2007 (i)	2008 (j)	2009 (k)		TOTAL (l)
11	*	Diesel	369		12	66	36	-	-	-	-	-	483	11
12	*	Electric												12
13	*	Other self-powered units												13
14	*	TOTAL (lines 11 to 13)	369		12	66	36	-	-	-	-	-	483	14
15	*	Auxiliary units												15
16	*	TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	369		12	66	36	-	-	-	-	-	483	16

710. INVENTORY OF EQUIPMENT (Continued)
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

710. INVENTORY OF EQUIPMENT (Continued)															
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS															
Line No	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year				Line No		
				Units installed			All other units including reclassification and second hand units purchased or leased from others (f)		Owned and used (h)	Leased from others (i)	Total in service of respondent (col (h) & (i)) (j)	Aggregate capacity of units reported in col (j) (see ins 7) (k)		Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rewritten into property accounts (e)									
17		Passenger-Train Cars Non-Self-Propelled Coaches (PA, PB, PBO)	2						2			2	275		17
18		Combined cars (All class C, except CSB)													18
19		Parlor cars (PBC, PC, PL, PO)													19
20		Sleeping cars (PS, PT, PAS, PDS)	2						2			2	220		20
21		Dining, grill and tavern cars (All class D, PD)											N/A		21
22		Non-passenger carrying cars (All class B, CSB, M, PSA, IA)											N/A		22
23		TOTAL (lines 17 to 22)	4						4			4	495		23
24		Self-Propelled Electric passenger cars (LP, ET)													24
25		Electric combined cars (EC)													25
26		Internal combustion rail motorcars (ED, EG)													26
27		Other self-propelled cars (Specify types)													27
28		TOTAL (lines 24 to 27)													28
29		TOTAL (lines 23 and 28)	4						4			4	495		29
30		Company Service Cars Business cars (PV)											N/A		30
31		Board outfit cars (MWX)	15						15			15	N/A		31
32		Derrick and snow removal cars (MWU, MWV, MWW, MWK)	20									21	N/A		32
33		Dump and ballast cars (MWB, MWD)	263					10	253			253	N/A		33
34		Other maintenance and service equipment cars	485						447			447	N/A		34
35		TOTAL (lines 30 to 34)	783					51	736			736	N/A		35

710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year
2. In column (d) give the number of units purchased or built in company shops. In column (e) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (n). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (i). Units rented from others for a period less than one year should not be included in Column (j).

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No
			Time-mileage cars (b)	All Others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
36		FREIGHT TRAIN CARS Plain box cars - 40' (B1_-, B2_-)							36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7,B5_-, B6_-, B7_-, B8_-)	20						37
38		Equipped box cars (All Code A, Except A_5_-)	8,221	247				9	38
39		Plain gondola cars (All Codes G & J_1, J_2, J_3, J_4)	151					24	39
40		Equipped gondola cars (All Code E)	2,848	154		489			40
41		Covered hopper cars (C_1, C_2, C_3, C_4)	6,591	108				425	41
42		Open top hopper cars - general service (All Code H)	2,763	49					42
43		Open top hopper cars - special service (J_0, and All Code K)	854	2,806				85	43
44		Refrigerator cars - mechanical (R_5_-, R_6_-, R_7_-, R_8_-, R_9_-)							44
45		Refrigerator cars - non-mechanical (R_0_-, R_1_-, R_2_-)	5						45
46		Flat cars - TOFC/COFC (All Code P, Q and S, Except Q8_-)							46
47		Flat cars - multi-level (All Code V)	495	35					47
48		Flat cars - general service (F10_-, F20_-, F30_-)		8					48
49		Flat cars - other (F_1_-, F_2_-, F_3_-, F_4_-, F_5_-, F_6_-, F_8_-, F40_-)	3,874	14				18	49
50		Tank cars - under 22,000 gallons (T_0_-, T_1_-, T_2_-, T_3_-, T_4_-, T_5_-)	34						50
51		Tank cars - 22,000 gallons and over (T_6_-, T_7_-, T_8_-, T_9_-)							51
52		All other freight cars (A_5_-, F_7_-, All Code L and Q8_-)	163						52
53		TOTAL (lines 36 to 52)	26,019	3,421		489		561	53
54		Caboose (All Code M-930)		59					54
55		TOTAL (lines 53, 54)	26,019	3,480		489		561	55

710. INVENTORY OF EQUIPMENT - Continued

4 Column (m) should show aggregate capacity for all units reported in columns (k) and (l) as follows. For freight-train cars, report the nominal capacity (in tons of 2,000 lbs) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to customarily carry.

5 Time-mileage cars refers to freight cars, other than cabooses, owned or held under lease arrangement, whose interline rental is settled on a per diem and line haul mileage basis under "Code of Car Hire Rules" or would be so settled if used by another railroad

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No
		Units retired from service of respondent whether owned or leased including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (sec ins 4) (m)	Leased to Others (n)	
					Time - mileage cars (k)	All Others (l)			
36	PB								36
37	EB	10	5	5	9	1	832		37
38	PG	2,291	3,324	2,862	6,173	13	529,773		38
39	EG	10	165		146	19	15,531		39
40	CH	224	2,468	799	3,200	67	334,049		40
41		731	3,887	2,506	6,344	49	655,304		41
42		300	2,278	234	2,485	27	250,877		42
43		698	3,046	1	304	2,743	273,851		43
44									44
45		1	4		4		279		45
46	FFC								46
47	FML	68	462		436	26	20,593		47
48			8			8	643		48
49	FO	424	1,910	1,572	3,467	15	354,288		49
50			34		34		3,443		50
51									51
52		58	105		105		12,034		52
53		4,815	17,696	7,979	22,707	2,968	2,451,497		53
54		1	58			58			54
55		4,816	17,754	7,979	22,707	3,026	2,451,497		55

710. INVENTORY OF EQUIPMENT - Continued

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No
			Per diem (b)	All others (c)	Units installed				
					New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
56		FLOATING EQUIPMENT Self-propelled vessels (Tugboats, car ferries, etc.)	N/A						56
57		Non-self-propelled vessels (Car floats, lighters, etc.)	N/A						57
58		TOTAL (lines 56 and 57)	N/A						58
59		HIGHWAY REVENUE EQUIPMENT Chassis Z1 __, Z67 __, Z68 __, Z69 __							59
60		Dry van U2 __, Z __, Z6 __, 1-6							60
61		Flat bed U3 __, Z3 __							61
62		Open bed U4 __, Z4 __							62
63		Mechanical refrigerator U5 __, Z5 __							63
64		Bulk hopper U0 __, Z0 __							64
65		Insulated U7 __, Z7 __							65
66		Tank ' Z0 __, U6 __							66
67		Other trailer and container (Special equipped dry van U9 __, Z8 __, Z9 __)							67
68		Tractor							68
69		Truck							69
70		TOTAL (lines 59 to 69)							70

NOTES AND REMARKS

Note: Line 66 (Tank) must have fitting code "CN" to qualify as a tank, otherwise it is a bulk hopper.

710. INVENTORY OF EQUIPMENT - Concluded

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No
		Units retired from service of respondent whether owned or leased including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to Others (n)	
					Per diem (k)	All Others (l)			
56					N/A				56
57					N/A				57
58					N/A				58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70									70

NOTES AND REMARKS

710S. UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR

(Dollars in thousands)

1. Give particulars as requested, separately, for the various classes of new units and rebuilt units of equipment installed by respondent during the year. If information regarding the cost of any units installed is not complete at time of filing of report, the units should be omitted, but reference to the number of units omitted should be given in a footnote, the details as to cost to be given in the report of the following year. The cost of units under construction at the close of the year should not be reflected in this schedule even though part of the cost appears in the property account for the year. Indicate in column (e) whether an installation represents equipment purchased (P), built or rebuilt by contract in outside railroad shops (C), or built or rebuilt in company or system shops (S), including units acquired through capitalized leases (L).

2. In column (a) list each class or type of locomotive unit, car or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units, freight cars or other equipment adopted by the Association of American Railroads, and should include physical characteristics requested by Schedule 710. Locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit, such as multiple-purpose diesel locomotive A units (B-B), 2500 HP. Cars should be identified as to special construction or service characteristics, such as aluminum-covered hopper car (LO), steel boxcars-special service (XAP), etc. For TOFC/COFC show the type of equipment as enumerated in Schedule 710.

3. In column (c) show the total weight in tons of 2,000 pounds. The weight of the equipment acquired should be the weight empty.

4. The cost should be the complete cost as entered on the ledger, including foreign line freight charges and handling charges.

5. Data for this schedule should be confined to the units reported in Schedule 710, columns (c) and (e) for locomotive units, passenger-train cars and company service cars and columns (d) and (f) for freight train cars, floating equipment and highway revenue equipment. Disclose new units in the upper section of this schedule and in the lower section disclose rebuilt units acquired or rewritten into the respondent's accounts. The term "new" as used herein shall mean a unit or units placed in service for the first time on any railroad.

6. All unequipped boxcars acquired in whole or part with incentive per diem funds should be reported on separate lines and appropriately identified by footnote or sub-heading.

NEW UNITS

Line No	Class of equipment	Number of units	Total weight (tons)	Total cost	Method of acquisition (see instructions)	Line No
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL		N/A		N/A	25

REBUILT UNITS

26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL		N/A		N/A	38
39	GRAND TOTAL	-	-	-		39

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULES 720, 721, 723, AND 726

1. For purposes of these schedules, the track categories are defined as follows:

- A - Freight density of 20 million or more gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)
- B - Freight density of less than 20 million gross ton-miles per track mile per year, but at least 5 million (include passing tracks, turnouts, and crossovers)
- C - Freight density of less than 5 million gross ton-miles per track mile per year, but at least 1 million (include passing tracks, turnouts, and crossovers)
- D - Freight density of less than 1 million gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)
- E - Way and yard switching tracks (passing tracks, turnouts and crossovers shall be included in categories A, B, C, D, F, or potential abandonments, as appropriate)
- F - Track over which any passenger service is provided (other than potential abandonments). Mileage should be included within track categories A through E unless there is dedicated entirely to passenger service F.

Potential abandonments - Route segments identified by railroads as potentially subject to abandonment as required by Section 10903 of the ICC Termination Act of 1995.

- 2. This schedule should include all class 1, 2, 3, or 4 track from Schedule 700, that is maintained by the respondent. (Class 5 track is assumed to be maintained by others)
- 3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.
- 4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

720. TRACK AND TRAFFIC CONDITIONS

I. Disclose the requested information pertaining to track and traffic conditions.

Line No.	Track category (a)	Mileage or tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at the end of period (e)	Line No.
1	A	3,792	37.84	50.87	16.65	1
2	B	2,845	9.25	40.02	267.36	2
3	C	1,854	2.42	33.52	236.99	3
4	D	938	0.50	28.55	355.68	4
5	E	770	N/A	N/A	N/A	5
6	TOTAL	10,199	17.27	41.78	876.68	6
7	F					7
8	Potential abandonments					8

* To determine average density, total track-miles (route-miles times number of tracks), rather than route-miles shall be used.

721. TIES LAID IN REPLACEMENT

1. Furnish the requested information concerning ties laid in replacement.
2. In column (j), report the total board feet of switch and bridge ties laid in replacement.
3. The term 'spot maintenance' in column (k) means repairs to track components during routing inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. 'Percent of spot maintenance' refers to the percentage of total ties or board feet laid in replacement considered to be spot maintenance.
4. In line 9, the average cost per tie should include transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply storage and seasoning yards, and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule.

Line No.	Track category	Number of cross-ties laid in replacement										Cross-ties and switch and bridge ties % of spot maintenance	Line No.
		New ties			Second-hand ties				Total	Switch and bridge ties (board feet)			
		Wooden		Concrete	Other	Wooden		Other					
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)						
1	A	498,784								498,784	255,946	N/A	1
2	B	180,913								180,913	426,017	N/A	2
3	C	116,368								116,368	140,063	N/A	3
4	D	27,607								27,607	17,418	N/A	4
5	E	56,744								56,744	46,667	N/A	5
6	TOTAL	880,416								880,416	886,111	N/A	6
7	F												7
8	Potential abandonments												8
9	Average cost per cross-tie	\$ 42.03	and switch-tie (MBM)										

722. TIES LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS

(Dollars in Thousands)

Give particulars of ties laid during the year in new construction during the year

In column (a) classify the ties as follows:

U - Wooden ties untreated when applied.

T - Wooden ties treated before application.

S - Ties other than wooden (steel, concrete, etc.) Indicate type under remarks in column (h).

Report new and second-hand (relay) ties separately, indicating in column (h) which ties are new

In columns (d) and (g) show the total cost, including transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply, storage, and seasoning yard. In the case of treated ties, also show the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks, and of train service, other than that necessary in connection with loading or treatment, should not be included in this schedule.

Line No.	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)	Line No.
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of crossties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch & bridge ties laid in new tracks during year (g)		
1									1
2									2
3									3
4									4
5									5
6									6
7				NIL					7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20	TOTAL								20
21	Number of miles of new running, passing tracks, cross-overs, etc., in which ties were laid								21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid								22

723. RAILS LAID IN REPLACEMENT

1. Furnish the requested information concerning rails laid in replacement
2. The term 'spot maintenance' in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. 'Percent of spot maintenance' refers to the percentage of total rails laid in replacement that are considered to be spot maintenance.
3. In line 9, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines and placing rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule.

Line No.	Track category (a)	Miles of rail laid in replacement (rail-miles)						Total		Percent of spot maintenance (h)	Line No
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)				
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)						
1	A	94.87	0.08	31.83	1.63	126.70	1.71	1.3%	1		
2	B	36.31	0.04	17.16	0.78	53.47	0.82	1.5%	2		
3	C	9.76	0.01	40.40	0.19	50.16	0.20	0.4%	3		
4	D	0.14	-	5.79	0.08	5.93	0.08	1.3%	4		
5	E	2.44	0.01	22.55	0.15	24.99	0.16	0.6%	5		
6	TOTAL	143.52	0.14	117.73	2.83	261.25	2.97	1.1%	6		
7	F								7		
8	Potential Abandonments								8		
9	Average cost of new rail laid in replacement per gross ton	\$ 834	New	\$ 486	relay				9		

724. RAILS LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS

(Dollars in Thousands)

1 Give particulars of all rails applied during the year in connection with the construction of new track

In column (a) classify the kind of rail applied as follows

- (1) New steel rails, Bessemer process
- (2) New steel rails, open-hearth process
- (3) New rails, special alloy (describe fully in a footnote)
- (4) Relay rails

2. Returns in columns (c) and (g) should be reported in WHOLE numbers Fractions of less than one-half should be disregarded, and fractions of one-half or more should be counted as one.

3 The returns in columns (d) and (h) should include the cost of loading at the point of purchase ready for shipment, the freight charges paid to foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines, and placing the rails in tracks as well as train service in connection with the distribution of the rail should not be included in this schedule

Line No.	Class of rail	Rail Applied in Running Tracks, Passing Tracks, Crossovers, etc.				Rail Applied in Yard, Station, Team, Industry and Other Switching Tracks				Line No.
		Weight of rail		Total cost of rail applied in running track, passing track cross-overs, etc., during year	Average cost per ton (2000 lb)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching track during year	Average cost per ton (2000 lb)	
		Pounds per yard of rail	Number of tons (2000 lb)			Pounds per yard of rail	Number of tons (2000 lb)			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1										1
2										2
3										3
4										4
5										5
6				NIL						6
7										7
8										8
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25										25
26										26
27										27
28										28
29										29
30										30
31										31
32										32
33	TOTAL	N/A								33
34	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid									34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									35
36	Track-miles of welded rail installed on system this year : total to date									36

725. WEIGHT OF RAIL

Give the particulars called for below concerning the road and track operated by the respondent at the close of the year. Only the respondent's proportion of jointly owned mileage should be included. Under "Weight of rail", the various weights of rails should be given. Road and track occupied under trackage right or other form of license should not be included herein, but all road and track held under any form of lease (granting exclusive possession to the lessee) should be included.

Line No.	Weight of rails per yard (pounds) (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
	<i>Pounds</i>				
1					1
2	60	1			2
3	70	1			3
4	80	36			4
5	85	34			5
6	90	305			6
7	100	268			7
8	105	1			8
9	110	21			9
10	112	1,265			10
11	115	2,752			11
12	119	8			12
13	127	22			13
14	130	7			14
15	131	112			15
16	132	463			16
17	133	-			17
18	136	1,416			18
19	140	78			19
20	152	35			20
21	155	45			21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48	Total	6,870			48

726. SUMMARY OF TRACK REPLACEMENTS

1. Furnish the requested information concerning the summary of track replacements.
 2. In columns (d), (e), (g), and (j) give the percentage of replacements to units of property in each track category at year end.

Line No.	Track category (a)	Ties				Rail		Ballast Cubic yards of ballast placed	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent replaced (g)		Miles surfaced (i)	Percent surfaced (j)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crosstie (d)	Switch and bridge ties (board feet) (e)						
1	A	498,784	255,946	4.1%	N/A	128.41	1.7%	302,055	1,583	42%	1
2	B	180,913	426,017	2.0%	N/A	54.29	1.0%	117,148	485	17%	2
3	C	116,368	140,063	2.0%	N/A	50.36	1.4%	62,980	289	16%	3
4	D	27,607	17,418	0.9%	N/A	6.01	0.3%	3,291	31	3%	4
5	E	56,744	46,667	2.3%	N/A	25.15	1.6%	24,819	266	35%	5
6	TOTAL	880,416	886,111	2.7%	N/A	264.22	1.3%	510,293	2,654	26%	6
7	F										7
8	Potential abandonments	-	-	-	-	-	-	-	-	-	8

750. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

LOCOMOTIVES

Line No.	Kind of locomotive service (a)	Diesel		Line No.
		Diesel oil (gallons)		
		(b)		
1	Freight	88,188,373	1	
2	Passenger	-	2	
3	Yard switching	12,290,022	3	
4	TOTAL	100,478,395	4	
5	COST OF FUEL \$(000) *	\$305,898	5	
6	Work Train	221,042	6	

* Show cost of fuel charged to train and yard service (function 67-Loco. Fuels). The cost stated for diesel fuel should be the total charges in the accounts specified, including freight charges and handling expenses. Fuel consumed by mixed and special trains that are predominately freight should be included in freight service, but where the service of mixed or special trains is predominately passenger, the fuel should be included in passenger service.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

Unit Train, Way Train, and Through Train data under Items 2, 3, 4, 6, and 12 shall be obtained from conductor's wheel reports (freight) or similar reports. Unit train service is a specialized scheduled shuttle type service in equipment (Railroad or privately owned) dedicated to such service, moving between origin and destination. The applicable tariffs and/or contracts generally require that a specific minimum tonnage or quantity of carloads be tendered as a unit for shipment on one bill of lading or other shipping document in a solid train for movement between origin and destination. Such tariffs and/or contracts generally contain restricted detention provisions and are subject to time-volume requirements which reflect the approximate capacity of the unit trains for the stated period. Way Trains are defined as trains operated primarily to gather and distribute cars in road service and move them between way stations or way points. Through Trains are those trains operated between two or more major concentration or distribution points. Do not include Unit Train statistics in Way or Through Train statistics. A Work Train is a train operated solely or preponderantly for the purpose of transporting company freight, work equipment or company employees. Statistics for Work Trains should be reported under Item 11 only. Statistics related to company equipment, company employees and company freight moving in transportation trains are not to be reported in Item 11, but are to be reported in Items 4-17, 6-04, 7-02, 8-04 and 8-05, as instructed in notes, I, K, and L.

- (A) Report miles of road operated at close of year, excluding industrial tracks, yard tracks, and sidings.
- (B) A train-mile is the movement of a train a distance of one mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as one mile. Train Miles-Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-miles shall not be increased to cover the running of locomotives from shops to terminals, doubling hills, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains. When the carrier's trains are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run and in accordance with the service performed. Train-miles shall be kept separately for trains hauled by locomotives and trains moved by motorcars.
- (C) A motorcar is a self-propelled unit of equipment designed to carry freight or passengers, and is not considered a locomotive.
- (D) A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A locomotive unit-mile is a movement of a locomotive unit a distance of one mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.
- (E) All locomotives unit-miles in road service shall be based on the actual distance run between terminals and/or stations. Follow instruction (B) regarding fractions and official time tables for computing locomotive-miles.
- (F) Train switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in such service. Include miles allowed for train locomotives for performing switching service at terminals and way stations.
- (G) Yard switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in yard switching service. Include miles allowed for yard locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service.
- (H) A car-mile is a movement of a unit of car equipment a distance of one mile. Use car designations shown in Schedule 710. Under Railroad Owned and Leased cars, Items 4-01 and 4-11, report both foreign cars and respondents' own cars while on the line of the respondent railroad. In Items 4-13 and 4-15, report private-line cars and shipper owned cars. Loaded and empty miles should be reported whether or not the railroad reimbursed the owner on a loaded and/or empty mile basis. Report miles made by flatcars carrying empty highway trailers that are not moving under revenue billings as empty freight car-miles. Do not report miles made by motorcars or business cars.
- (I) Exclude from Item 4-01, 4-11, 4-13, and 4-15, car-miles of work equipment, cars carrying company freight, and non-revenue private line cars moving in transportation trains. Include such car-miles in Item 4-17, 4-18, and 4-19. If private line cars move in revenue service, the loaded and empty miles should not be considered no-payment or non-revenue car-miles.
- (J) Report miles actually run by passenger-train cars in transportation service. Passenger-train car-miles include miles run by coaches and cars in which passengers are carried at regular tariff fares without extra charge for space occupied; miles run by combination passenger and baggage, passenger and mail, passenger and express, miles run by sleeping, parlor and other cars for which an extra fare is charged; miles run by dining, cafe, and other cars devoted exclusively to the serving of meals and other refreshments and by club, lounge, and observation cars; and miles run by other passenger-train cars where services are combined such as baggage, express and mail.
- (K) From conductors' or dispatchers' train reports or other appropriate sources, compute weight in tons (2,000 lbs). Item 6-01 includes weight of all locomotive units moved one mile in transportation trains. Ton-miles of motorcars should be excluded. Items 6-02 and 6-03 represent tons behind locomotive units (cars and contents, cabooses) moved one mile in transportation trains (excluding non-revenue gross ton-miles). Non-revenue gross ton-miles in transportation trains include work equipment and cars carrying company freight and their contents. Use 150 lbs. as the average weight per passenger, and four tons as the average weight of contents of each head-end car.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 - (Concluded)

- (L) From conductors' train reports or other appropriate sources, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and non-revenue freight moved one mile in a transportation train. Include net ton-miles in motorcar trains. Exclude local shipment of freight handled in mixed baggage express cars. Total Ton-Miles Revenue Freight should correspond to the Ton-Miles reported on Form CBS.
- (M) Road service represents elapsed time of transportation trains (both ordinary and light) between the time of leaving the initial terminals and the time at final terminals, including trains switching at way stations and delays on road as shown by conductors' or dispatchers' train reports. Include time of motorcar service performed by train locomotives at terminals and way stations. Report in Item 9-02 train switching hours included in Item 9-01. Train switching is the time spent by the train while performing switching service at terminals and way stations where no regular yard service is maintained. A train hour is independent of the number of locomotives in the train.
- (N) Yard switching hours are hours expended in switching service performed by yard crews in yards where regular switching service is maintained, including switching and transfer service in connection with the transportation of revenue and incidentally of company freight. Hours in yard switching are independent of the number of locomotives used.
- (O) Work-train miles include the miles run by trains engaged in company service such as official inspection, inspection trains for Railway Commissioners for which no revenue is received, trains running special with fire apparatus to save carrier's property from destruction, trains run for transporting the carrier's employees to and from work when no transportation charge is made, wrecking trains, trains run solely for the purpose of transporting company material, trains run for distributing material and supplies for use in connection with operations, and all other trains used in work-train services. Exclude miles run by locomotives while engaged incidentally in switching company materials in company shops or material yards in connection with regular yard switching service or in switching equipment for repairs between yards and shops.
- (P) The number of loaded freight cars shall be obtained from the conductors' wheel report and shall be the sum of all loaded cars handled by each train. For example, if a car moves loaded (1) in a way train from the origination points, (2) in two through trains, and (3) in a way train to the destination point, the total count of loaded cars would be four: two counts for the movements in the way trains and two counts for the movements in through trains. Therefore, each car originated or received from a connecting carrier receives an initial count, plus one count for each subsequent physical transfer between trains on respondents lines. No additional count is given because of crew change or changes in track identification number unless there is a physical transfer of the car between trains. Each car moving under revenue billing shall be considered as a loaded car.
- (Q) Report vehicle (TOFC trailers/containers, automobiles and trucks) loaded and unloaded to and from TOFC and multiple level freight cars when the work is performed at the railroad's expense.
- (R) Report the number of loaded revenue trailers/containers picked up, plus revenue trailers/containers delivered in TOFC/COFC and in highway interchange service, when the work is performed at the railroads' expense. (Performed at railroads' expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service.) Do not include those trailers/containers which are picked up or delivered by a shipper or motor carrier, etc., when a tariff provision requires the shipper or motor carrier, etc., and not the railroad perform that service. Note the count should reflect the trailer/containers for which expenses are reported in Schedule 417 Line 2 Column (b).
- (S) Report under Marine Terminals, Item 16, the tons loaded onto and unloaded from marine vessels at the expense of the reporting railroad.
- (T) Report the total number of foreign railroad cars on line at the end of the year (except surplus cars, see below). Foreign railroad Cars refers to freight cars owned by other railroads, whose interline rental is settled on time (by hour) and actual line-haul mileage charges under the code of car hire rules.

Carriers will be governed by local conditions in determining whether a car at an interchange point should be considered "on line". Unserviceable cars include cars on repair tracks undergoing or awaiting repairs. They include cars on repair tracks repaired and awaiting switching, cars on repair tracks undergoing or awaiting repairs switching, cars awaiting movement to repair tracks held in train yards (excluding cars which are to be repaired in the train yard without loss of time), car moving empty in trains en route to shop, and cars stored awaiting disposition.

Surplus cars are cars which are in serviceable condition for loading on the last day of the year, but have not been placed for loading within 48 hours. This count can be an annual average based on weekly count of cars that have not been placed for loading within 48 hours.

- (U) Flat-TOFC/COFC Car miles reported in lines 25 (4-020), 41 (4-120), 57 (4-140) and 75 (4-160) will be computed using cars rather than constructed container platforms. For example, an articulated car consisting of five platforms moved one mile will be counted as one car-mile, not five car-miles.
- (V) The intermodal Load Factor reported on Line 134 will be calculated for the average number of intermodal (TOFC/COFC) units loaded on the average intermodal car. Units are to be calculated in the same manner as Line 123 (13 TOFC/COFC - No. of Revenue Trailers & Containers Loaded and Unloaded (Q)). Intermodal cars will be calculated in accordance with instruction U for reporting Flat-TOFC/COFC Car-miles. Both intermodal (TOFC/COFC) units and intermodal cars are to be calculated using actual units and not constructed intermodal (TOFC/COFC) units or cars.

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
1		1. Miles of Road Operated (A)	6.738		1
2		2. Train Miles - Running (B)			2
3		2-01 Unit Trains	1,818,922	xxxxxx	2
4		2-02 Way Trains	3,171,703	xxxxxx	3
5		2-03 Through Trains	10,803,272		4
6		2-04 TOTAL TRAIN MILES (lines 2-4)	15,793,897		5
7		2-05 Motorcars (C)	-		6
8		2-06 TOTAL ALL TRAINS (lines 5, 6)	15,793,897		7
9		3. Locomotive Unit Miles (D)			
10		Road Service (E)			
11		3-01 Unit Trains	4,587,480	xxxxxx	8
12		3-02 Way Trains	5,221,496	xxxxxx	9
13		3-03 Through Trains	25,258,354		10
14		3-04 TOTAL (lines 8-10)	35,067,330		11
15		3-11 Train Switching (F)	2,907,144	xxxxxx	12
16		3-21 Yard Switching (G)	5,439,852		13
17		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	43,414,326		14
18		4. Freight Car-Miles (thousands) (H)			
19		4-01 RR Owned and Leased Cars - Loaded			
20		4-010 Box-Plain 40-Foot	-	xxxxxx	15
21		4-011 Box-Plain 50-Foot and Longer	2,403	xxxxxx	16
22		4-012 Box-Equipped	85,434	xxxxxx	17
23		4-013 Gondola-Plain	7,278	xxxxxx	18
24		4-014 Gondola-Equipped	22,420	xxxxxx	19
25		4-015 Hopper-Covered	56,892	xxxxxx	20
26		4-016 Hopper-Open Top-General Service	13,833	xxxxxx	21
27		4-017 Hopper-Open Top-Special Service	32,612	xxxxxx	22
28		4-018 Refrigerator-Mechanical	448	xxxxxx	23
29		4-019 Refrigerator-Non-Mechanical	333	xxxxxx	24
30		4-020 Flat-TOFC/COFC	3,432	xxxxxx	25
31		4-021 Flat-Multi-Level	3,950	xxxxxx	26
32		4-022 Flat-General Service	120	xxxxxx	27
33		4-023 Flat-All Other	38,583	xxxxxx	28
34		4-024 All Other Car Types-Total	4,571	xxxxxx	29
35		4-025 TOTAL (lines 15-29)	272,309	xxxxxx	30

755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
31		4-11 RR Owned and Leased Cars-Empty			
		4-110 Box-Plain 40-Foot	-	xxxxxx	31
32		4-111 Box-Plain 50-Foot and Longer	2.356	xxxxxx	32
33		4-112 Box-Equipped	73.084	xxxxxx	33
34		4-113 Gondola-Plain	7.835	xxxxxx	34
35		4-114 Gondola-Equipped	22.976	xxxxxx	35
36		4-115 Hopper-Covered	62.427	xxxxxx	36
37		4-116 Hopper-Open Top-General Service	14.114	xxxxxx	37
38		4-117 Hopper-Open Top-Special Service	32.315	xxxxxx	38
39		4-118 Refrigerator-Mechanical	255	xxxxxx	39
40		4-119 Refrigerator-Non-Mechanical	314	xxxxxx	40
41		4-120 Flat-TOFC/COFC	668	xxxxxx	41
42		4-121 Flat-Multi-Level	1.698	xxxxxx	42
43		4-122 Flat-General Service	194	xxxxxx	43
44		4-123 Flat-All Other	41.773	xxxxxx	44
45		4-124 All Other Car Types	2.064	xxxxxx	45
46		4-125 TOTAL (lines 31-45)	262.073	xxxxxx	46
47		4-13 Private Line Cars - Loaded (H)			
		4-130 Box-Plain 40-Foot	-	xxxxxx	47
48		4-131 Box-Plain 50-Foot and Longer	1.356	xxxxxx	48
49		4-132 Box-Equipped	3.143	xxxxxx	49
50		4-133 Gondola-Plain	24.955	xxxxxx	50
51		4-134 Gondola-Equipped	3.116	xxxxxx	51
52		4-135 Hopper-Covered	123.702	xxxxxx	52
53		4-136 Hopper-Open Top-General Service	9.346	xxxxxx	53
54		4-137 Hopper-Open Top-Special Service	14.110	xxxxxx	54
55		4-138 Refrigerator-Mechanical	115	xxxxxx	55
56		4-139 Refrigerator-Non-Mechanical	43	xxxxxx	56
57		4-140 Flat-TOFC/COFC	25.123	xxxxxx	57
58		4-141 Flat-Multi-Level	34.147	xxxxxx	58
59		4-142 Flat-General Service	50	xxxxxx	59
60		4-143 Flat-All Other	6.382	xxxxxx	60
61		4-144 Tank Under 22,000 Gallons	51.479	xxxxxx	61
62		4-145 Tank-22,000 Gallons and Over	80.104	xxxxxx	62
63		4-146 All Other Car Types	18.306	xxxxxx	63
64		4-147 TOTAL (lines 47-63)	395.477	xxxxxx	64

755. RAILROAD OPERATING STATISTICS - Continued

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
65		4-15 Private Line Cars-Empty (H)			65
66		4-150 Box-Plain 40-Foot	-	xxxxxx	66
67		4-151 Box-Plain 50-Foot and Longer	477	xxxxxx	67
68		4-152 Box-Equipped	2,656	xxxxxx	68
69		4-153 Gondola-Plain	25,555	xxxxxx	69
70		4-154 Gondola-Equipped	3,144	xxxxxx	70
71		4-155 Hopper-Covered	136,257	xxxxxx	71
72		4-156 Hopper-Open Top-General Service	9,997	xxxxxx	72
73		4-157 Hopper-Open Top-Special Service	14,845	xxxxxx	73
74		4-158 Refrigerator-Mechanical	109	xxxxxx	74
75		4-159 Refrigerator-Non-Mechanical	39	xxxxxx	75
76		4-160 Flat-TOFC/COFC	3,620	xxxxxx	76
77		4-161 Flat-Multi-Level	12,004	xxxxxx	77
78		4-162 Flat-General Service	91	xxxxxx	78
79		4-163 Flat-All Other	5,707	xxxxxx	79
80		4-164 Tank Under 22,000 Gallons	56,726	xxxxxx	80
81		4-165 Tank-22,000 Gallons and Over	85,642	xxxxxx	81
82		4-166 All Other Car Types	2,768	xxxxxx	82
83		4-167 TOTAL (lines 65-81)	359,637	xxxxxx	83
84		4-17 Work Equipment and Company Freight Car-Miles	7,032	xxxxxx	84
85		4-18 No Payment Car-Miles (1) ⁽¹⁾	-	xxxxxx	85
86		4-19 Total Car-Miles by Train Type			86
87		4-191 Unit Trains	201,682	xxxxxx	87
88		4-192 Way Trains	88,345	xxxxxx	88
89		4-193 Through Trains	1,006,501	xxxxxx	89
		4-194 TOTAL (lines 85-87)	1,296,528	xxxxxx	
		4-20 Caboose Miles	5	xxxxxx	

1. Total number of loaded miles and empty miles by roadrailer reported above.

Note: Line 88, total car miles, is equal to the sum of lines 30, 46, 64, 82, 83 and 84. Accordingly, the car miles reported on lines 83 and 84 are to be allocated to lines 85, 86 and 87, and included in the total shown on line 88.

755. RAILROAD OPERATING STATISTICS - Concluded

Line No.	Cross Check	Item description (a)	Freight train (b)	Passenger train (c)	Line No.
		6. Gross Ton Miles (thousands) (K)	xxxxxx	xxxxxx	
98		6-01 Road Locomotives	6,833.407		98
99		6-02 Freight Trains, Crs., Cnts., and Caboose	-		
100		6-020 Unit Trains	14,297.472	xxxxxx	99
101		6-021 Way Trains	8,210,667	xxxxxx	100
102		6-022 Through Trains	79,071.642	xxxxxx	101
103		6-03 Passenger-Trains, Crs., and Cnts	-		102
104		6-04 Non-Revenue	1,084,140	xxxxxx	103
105		6-05 TOTAL (lines 98-103)	109,497.328		104
		7. Tons of Freight (thousands)			
105		7-01 Revenue	189.738	xxxxxx	105
106		7-02 Non-Revenue	4.956	xxxxxx	106
107		7-03 TOTAL (lines 105, 106)	194.694	xxxxxx	107
		8. Ton-Miles of Freight (thousands) (L)			
108		8-01 Revenue-Road Service	53,452.403	xxxxxx	108
109		8-02 Revenue-Lake Transfer Service	-	xxxxxx	109
110		8-03 TOTAL (lines 108, 109)	53,452.403	xxxxxx	110
111		8-04 Non-Revenue-Road Service	624.848	xxxxxx	111
112		8-05 Non-Revenue-Lake Transfer Service	-	xxxxxx	112
113		8-06 TOTAL (lines 111, 112)	624.848	xxxxxx	113
114		8-07 TOTAL-REVENUE AND NON-REVENUE (lines 110, 113)	54,077.251	xxxxxx	114
		9. Train Hours (M)			
115		9-01 Road Service	766.092	xxxxxx	115
116		9-02 Train Switching	294.315	xxxxxx	116
117		10. Total Yard-Switching Hours (N)	621.071	xxxxxx	117
		11. Train-Miles Work Trains (O)	-		
118		11-01 Locomotives	22.524	xxxxxx	118
119		11-02 Motorcars	-	xxxxxx	119
		12. Number of Loaded Freight Cars (P)	-		
120		12-01 Unit Trains	1,179.727	xxxxxx	120
121		12-02 Way Trains	1,543.771	xxxxxx	121
122		12-03 Through Trains	3,278.075	xxxxxx	122
123		13. TOFC/COFC-No. of Rev. Trailers & Cont Loaded & Unloaded (Q)	535.162	xxxxxx	123
124		14. Multi-Level Cars-No. of Motor Vehicles Loaded & Unloaded (Q)	-	xxxxxx	124
125		15. TOFC/COFC-No. of Rev. Trailers Picked Up and Delivered (R)	28.090	xxxxxx	125
		16. Revenue Tons-Marine Terminal (S)	-		
126		16-01 Marine Terminals-Coal	636.825	xxxxxx	126
127		16-02 Marine Terminals-Ore	30,662.337	xxxxxx	127
128		16-03 Marine Terminals-Other	543.181	xxxxxx	128
129		16-04 TOTAL (lines 126-128)	31,842.343	xxxxxx	129
		17. Number of Foreign Per Diem Cars on Line (T)			
130		17-01 Serviceable	4.529	xxxxxx	130
131		17-02 Unserviceable	-	xxxxxx	131
132		17-03 Surplus	-	xxxxxx	132
133		17-04 TOTAL (lines 130-132)	4.529	xxxxxx	133
134		TOFC/COFC - Average No. Of Units Loaded Per Car	4.22	xxxxxx	134

VERIFICATION

The foregoing report shall be verified by the oath of the officer having control of the accounting of the respondent. This report shall also be verified by the oath of the president or other chief officer of the respondent, unless the respondent states that such officer has no control over the respondent's accounting and reporting.

OATH

(To be made by the officer having control of the accounting of the respondent)

State of QUEBEC

County of MONTREAL

SERGE PHARAND

makes oath and says that he is VICE-PRESIDENT AND CORPORATE COMPTROLLER

(Insert here name of the affiant)

(Insert here the official title of the affiant)

Of GRAND TRUNK CORPORATION

(Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that he knows that such books have been kept in good faith during the period covered by this report; that he knows that the entries contained in this report relate to accounting matters have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroad Companies and other accounting and reporting directives of the Surface Transportation Board; that he believes that all other statements of fact contained in this report are true, and that this report is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above-named respondent during the period of time from and including

JANUARY 1, 2008 to and including DECEMBER 31, 2008.

Serge Pharand
(Signature of affiant)

Subscribed and sworn to before me, a COMMISSIONER OF OATHS in and for the State and County above named, this 27 day of MARCH, 2009.

My commission expires

October 20, 2009

Use an
L.S.
impression seal



Chantal Lauzon
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of QUEBEC

County of MONTREAL

CLAUDE MONGEAU

makes oath and says that he is EXECUTIVE VICE-PRESIDENT AND CHIEF FINANCIAL OFFICER

(Insert here name of the affiant)

(Insert here the official title of the affiant)

Of GRAND TRUNK CORPORATION

(Insert here the exact legal title or name of the respondent)

that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operations of its property during the period of time from and including

JANUARY 1, 2008 to and including DECEMBER 31, 2008.

Claude Mongeau
(Signature of affiant)

Subscribed and sworn to before me, a COMMISSIONER OF OATHS in and for the State and county above named, this 27 day of MARCH, 2009.

My commission expires

October 20, 2009

Use an
L.S.
impression seal



Chantal Lauzon
(Signature of officer authorized to administer oaths)

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Road Initials : GTC Year: 2008

250. CONSOLIDATED INFORMATION FOR REVENUE ADEQUACY DETERMINATION
(DOLLARS IN THOUSANDS)

Line No.	Item (a)	Beginning of year (b)	End of year (c)	Line No.
1	Adjusted Net Railway Operating Income For Reporting Entity			
2	Combined / Consolidated Net Railway Operating Income For Reporting Entity		576,974	1
3	Add: Interest Income from Working Capital Allowance - Cash Portion		-	2
4	Income Taxes Associated with Non-Rail Income and Deductions		10,787	3
5	Gain or (Loss) from Transfer / Reclassification to Nonrail-Status (Net of Income Taxes)		5,007	4
6	Adjusted Net Railway Operating Income (Lines 1,2,3 & 4)		592,748	5
7	Adjusted Investment In Railroad Property for Reporting Entity			
8	Combined Investment in Railroad Property Used in Transportation Service	8,407,521	8,705,976	6
9	Less: Interest During Construction	2,113	2,113	7
10	Other Elements of Investment (if debit balance)	1,863	1,863	8
11	Add: Net Rail Assets of Rail-Related Affiliates	155,465	43,609	9
12	Working Capital Allowance	58,410	43,651	10
13	Net Investment Base Before Adjustments for Deferred Taxes (Lines 6 through 10)	8,617,420	8,789,460	11
14	Less: Accumulated Deferred Income Tax Credits	2,690,613	2,727,841	12
15	Net Investment Base (Lines 11-12)	5,926,807	6,061,619	13

In the space provided, please list all railroads and rail-related affiliated companies which are being reported in this consolidated report, along with the nature of the business for each company.

Name of Affiliate	Nature of Business
Grand Trunk Corporation	Railroad-related
Grand Trunk Western Railroad Company	Railroad
Duluth, Winnipeg and Pacific Railway Company	Railroad
Illinois Central Corporation	Railroad-related
Illinois Central Railroad Company	Railroad
Mississippi Valley Corporation	Railroad-related
Waterloo Railway Company	Railroad
CN WorldWide North America (USA) Inc.	Railroad-related
IC Financial Services Corporation	Rail Equipment Leasing
IC Leasing Corporation I	Rail Equipment Leasing
IC Leasing Corporation II	Rail Equipment Leasing
IC Leasing Corporation III	Rail Equipment Leasing
CN WorldWide Distribution Services (USA) Inc.	Railroad-related
Stellar Distribution Services Inc.	Railroad-related
CCP Holdings Inc.	Railroad-related
Chicago Central and Pacific Railroad Company	Railroad
Cedar River Railroad Company	Railroad
Iron Horse Properties Inc.	Railroad-related
Missouri River Bridge Company	Bridge operator, Railroad-related
Wisconsin Central Transportation Corporation	Railroad-related
Wisconsin Central Ltd.	Railroad
Wisconsin Chicago Link Ltd.	Railroad
Sault Ste. Marie Bridge Company	Railroad
B&LE Holdings Corp.	Railroad-related
Bessemer and Lake Erie Railroad	Railroad
DMIR Holdings Corp.	Railroad-related
Duluth, Missabe and Iron Range Railway Company	Railroad
The Pittsburgh and Conneaut Dock Company	Railroad-related
GLT Management Company	Railroad-related
Cuyahoga Dock, Inc.	Railroad-related
CN WorldWide Ground (USA) Inc.	Railroad-related
CN Custom Brokerage Services (USA) Inc.	Railroad-related
CN Financial Services II (Nova Scotia) Corporation	Financing, Railroad-related
CN Financial Services III, LLC	Financing, Railroad-related
CN Financial Services V, LLC	Financing, Railroad-related

NOTICE

The following changes occurred in 2008:

- Cottonwood Transportation Group (USA) Inc. changed its name to CN WorldWide Ground (USA) Inc.
- IBS International Bulk Services (USA) Inc. merged into National Distribution Services Inc.
- National Distribution Services Inc. changed its name to CN WorldWide Distribution Services (USA) Inc.
- Grand trunk Western Railroad Incorporated merged into St. Clair Tunnel Company
- St. Clair Tunnel Company changed its name to Grand Trunk Western Railroad Company
- Cottonwood Distribution Services Inc. merged into Stellar Distribution Services, Inc.

Road Initials : GTC Year: 2008

SCHEDULE 250 - PART B**Determination of Nonrail Taxes**

This table is designed to facilitate the calculation of taxes that are not rail-related. The amount to be reported on Schedule 250, Line 3.

PART I - DETERMINE TAXES ON NONRAILROAD INCOME FOR ALL COMBINED / CONSOLIDATED RAILROADS
(EXCLUDES ALL RAIL-RELATED AFFILIATES)

- (1) Determine Combined / Consolidated Adjusted Income from continuing operations (before taxes) for all affiliated railroads (all classes). Do not include rail-related affiliates that are not railroads in this part. This represents the total combined / consolidated amounts for all items listed below for railroads in the reporting entity.

Income from continuing operations (before taxes) should be the equivalent of the numbers contained in the R-1 Schedule 210, Line 46, adjusted to include all railroads in the reporting entity.	<u>560,011</u>
- Equity in undistributed earnings, which represents the total of Schedule 210, Line 26, for all railroads in the reporting entity	<u>3,046</u>
- Dividends in affiliated companies. (If the affiliate is 80% or more controlled by the parent railroad, then deduct 100% of the affiliate's dividend. If the affiliate is less than 80% controlled by the parent railroad, then deduct 80% of the affiliate's dividend.	<u>-</u>
= Adjusted income from continuing operations (before taxes). This represents "A" in item (3) below.	<u>556,965</u>

- (2) Determine Combined / Consolidated Adjusted Pre-tax NROI for all railroads in the reporting entity

Combined / Consolidated Pre-Tax NROI for the entire entity, which equals the amount shown on Schedule 250, Line 1.	<u>576,974</u>
+ Current provision for taxes, which represents the consolidated amounts of Schedule 210, Line 51, for all railroads in the reporting entity. (This figure includes both Account 556, Income Taxes on Ordinary Income and Account 557, Provision for Deferred Taxes.	<u>190,476</u>
+ Interest income on working capital allowance, which represents the total consolidated interest income relative to the working capital component of the net investment base and should equal the amount shown in Schedule 250, Line 2, for all railroads in the reporting entity.	<u>-</u>
+ Release of premiums on funded debt, which represents the consolidated total of the release of premium on funded debt as shown on Schedule 210, Line 22, for all railroads in the reporting entity.	<u>-</u>
- Total fixed charges, which represents the consolidated total of fixed charges as shown on Schedule 210, Line 42 for all railroads in the reporting entity	<u>188,910</u>
- Railroad-related income from affiliated (other than railroads) which was included in consolidated NROI (Schedule 250, Line 1).	<u>51,821</u>
= Combined / Consolidated Pre-tax Adjusted NROI for all railroads. This represents "B" in item (3) below.	<u>526,719</u>

- (3) Calculate the railroad-related tax ratio: "B/A" 94.57%
- (4) Compute the nonrailroad-related complement (1 - Railroad-related income ratio) which equals the Nonrailroad-related tax ratio. 5.43%
- (5) Compute the nonrailroad portion of the total provision for taxes. This equals:

The Nonrailroad-related tax ratio (Item (4) above) times the total current taxes accrued on ordinary income (Account 556) which represents the consolidated amounts of Schedule 210, Line 47, 48 and 49 for all railroads in the reporting entity. 7,311

PART II - DETERMINE NONRAILROAD-RELATED TAXES FOR RAIL-RELATED AFFILIATES (EXCLUDES ALL AFFILIATED RAILROADS)

- (6) This is calculated by dividing the nonrailroad-related income for combined rail-related affiliates by the total pre-tax net income for all combined rail-related affiliates and multiplying this result by the total taxes (current provision plus deferred). This equals the taxes on nonrailroad income for all affiliated companies. 3,456

PART III - DETERMINE TOTAL NONRAILROAD-RELATED TAXES

- (7) This is determined as follows:
- | | |
|--|---------------|
| Total income taxes on nonrailroad-related income for all railroads in the reporting entity (Item (5) above). | 7,311 |
| + Total Nonrailroad-related taxes for rail-related affiliated (Item (6) above) | <u>3,456</u> |
| Equals total nonrailroad-related taxes. (This amount should be transferred to Schedule 250, Part A, Line 3). | <u>10,767</u> |
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